

OVERSEAS NEWS

Soviet Union 'may face famine and turmoil'

By Quentin Peel in Moscow

A PANEL of top Soviet economists, chaired by Dr Leonid Abalkin, who has been named a new deputy prime minister, yesterday warned of political turmoil, and even famine, if the Soviet economic crisis was not stabilised within two years.

for Economic Reform, suggests he is looking for all the support he can get in efforts to attack the bureaucracy of party and government. Dr Abalkin warned: "If we don't have the economy stabilised in 1 1/2 to 2 years, then the move of the society to the right will be inevitable. Then something unpredictable will start."

enough hard currency to buy (imported) food." One option he proposed was outright "denationalisation" of land, the alternative being to grant the right to every Soviet citizen to lease land from the giant collective and state farms.

administrative system to a market" one by promoting decentralisation and leasehold property reforms. "But we forgot to make the real money," he said. Efforts to blame the Ministry of Finance for the government's huge budget deficit were unfair, he added. "All the commands went from the top."

Prof Gavril Popov, one of the most outspoken deputies in the recent Congress, said that despite the huge conservative majority in the assembly, the live broadcasts of its debates had provided an extraordinary school for Soviet viewers.

Gorbachev 'backs arms cuts plan'

By David Marsh in Bonn

MR HELMUT Kohl, the West German Chancellor, yesterday said Mr Mikhail Gorbachev, the Soviet leader, had concurred in the feasibility of the US plan to agree cuts in conventional armaments at the Vienna talks within less than a year.

this week about Nato's disarmament proposals. The Chancellor said Mr Gorbachev showed a "very constructive" reaction to President Bush's suggestions in Brussels at the end of last month on cutting conventional forces at Vienna.

Joyce takes the bloom off poll day

By Kieran Cooke in Dublin

"MR Leopold Bloom ate with relish the inner organs of beasts and fowls. He liked thick giblet soup, nutty gizzards, a stuffed roast heart, liver, sliced fried herring's roes. Most of all he liked grilled mutton kidneys which gave to his palate a fine tang of finely scented urine."

Yesterday was counting day in Ireland's general election. While the media and the political parties were busy over the ballot boxes, Dublin's literati had other things on their minds.

Yesterday was also Bloomsday in Dublin, the 65th commemoration of that famous and joyous round Dublin made by Mr Leopold Bloom as recorded in Joyce's Ulysses.

Senator David Norris ("Bloomsday is to Dublin what Christmas is to Bethlehem") was giving Joyce readings in Beatty's cafe. People floated from Joycean pub to pub. Literary arguments developed. Period costumes became somewhat unkempt.

There was even a James Joyce look-alike contest somewhere the mighty affairs of state were being decided. As counting of Thursday's general election vote continued, it looked as though the governing Fianna Fail party of Mr Charles Haughey, the Prime Minister, would fail to win the majority it so earnestly desired. Mr Haughey has headed a minority administration for the past two years.

Many pundits felt that when the final results became known, probably sometime early this morning, Fianna Fail would once again be forced to form a minority government. Early trends showed a significant swing to the left in some parts of Dublin while Fianna Fail's vote had diminished in some country areas.

Fine Gael, the main opposition party, was apparently falling to make any significant gains, and its partner in opposition, the Progressive Democratic Party, saw its vote collapse.

Mr Haughey had called the election because he said he needed a majority to continue his government's tough economic policies.

Mr Haughey said they did not want the election. James Joyce aficionados were certainly not interested in Government matters yesterday. For them, following in the footsteps of Leopold Bloom was far more important.

Poland in debt accord

POLAND has reached an interim accord with its leading bank creditors to postpone principal payments, amounting roughly to \$200m, due between now and the end of 1989, says Stephen Fidler.

Once the agreement becomes effective, after 95 per cent of Poland's bank creditors give their assent, the country will make a \$24m principal payment due last April.

Payments would be rescheduled into 1991, although talks on a more comprehensive debt agreement on the country's \$9bn debt to commercial banks are expected to start in September or October.

Hong Kong prime rates cut to 11%

The Hong Kong banks are to cut prime lending rates by half a point to 11 per cent as from Tuesday, the first downward movement since January 1988, writes Michael Murray in Hong Kong.

Fears over Italian credit expansion

The Bank of Italy is concerned at the unusually high rate of credit expansion in the Italian banking system, after statistics showed lending reached 20.5 per cent a year last month against a target of 18 per cent, writes Alan Friedman in Milan.

Radical change planned for Swedish tax system

By Robert Taylor in Stockholm

THE full details of Sweden's income tax reform plan, published yesterday by an all-party parliamentary committee, promise to revolutionise the country's taxation system.

The main proposals envisage that 90 per cent of Swedes will no longer have to pay any tax on income to the central government after January 1991, only 30 per cent to Sweden's local authorities.

Anybody who earns more than SEK500,000 (\$19,000 a year) by that time will have to pay tax on their incomes to the government but the highest marginal rate they will have to pay will be 50 per cent, compared with a present figure of 72 per cent.

FT WRITERS LOOK AT THE TRENDS EMERGING IN THE EUROPEAN PARLIAMENT ELECTIONS

UK floating vote drifts to the Greens

By Ivor Owen, Parliamentary Correspondent

GROWING disenchantment with Mrs Margaret Thatcher's brand of Conservatism and the disarray in the conventional centre parties, offers the most likely explanation for the growth in support for Britain's Green Party.

Estimates made at Westminster yesterday suggested that more than 2m voted for Green candidates. Anecdotal evidence indicates that many who formerly voted Conservative or for the Liberal-SDP alliance and were affronted by Labour's earlier commitment to unilateral nuclear disarmament cheerfully voted for Green candidates advocating precisely the same course.

Polls give Gonzalez third term

By Tom Burns in Madrid

THE RESULT OF Thursday's Euro-polls in Spain has derailed the centre right opposition's strategy to wrest power from Mr Felipe Gonzalez's Socialist Party when it seeks a third term in national elections next year.

A succession of exit poll forecasts by news organisations and political parties concurred that both the conservative Partido Popular (PP) and the centrist Centro Democrático Social (CDS) had lost ground to the Socialists.

Voters seemed unimpressed by the PP's candidate, Mr Marcelino Oreja, who left his job as secretary-general of the Council of Europe to inject new credibility into the Spanish right. The conservatives

UK Tories in outgoing European Parliament

By Tom Burns in Madrid

THE RESULT OF Thursday's Euro-polls in Spain has derailed the centre right opposition's strategy to wrest power from Mr Felipe Gonzalez's Socialist Party when it seeks a third term in national elections next year.

A succession of exit poll forecasts by news organisations and political parties concurred that both the conservative Partido Popular (PP) and the centrist Centro Democrático Social (CDS) had lost ground to the Socialists.

Voters seemed unimpressed by the PP's candidate, Mr Marcelino Oreja, who left his job as secretary-general of the Council of Europe to inject new credibility into the Spanish right. The conservatives

Kinnock sees boost for socialist group

By David Suchan in Brussels

MR NEIL KINNOCK, the UK Labour leader, came to the continent yesterday to spread the good tidings of his party's apparent success in the Euro-elections and to bolster fellow German and Belgian socialists who go to the polls tomorrow.

The BBC's projection that Labour might pick up nearly 20 seats in the European Parliament was "somewhat on the optimistic side", the Labour leader predicted.

Official British results will be declared only when voting in all 12 states finishes tomorrow night. But the British Labour group, which numbered 32

IG Metall warns of social unrest

By David Goodhart in Bonn

MR FRANZ Steinkühler, leader of IG Metall, the 2.5m-strong West German engineering union, has warned of social unrest if the widely-expected strike in the metal industry is not avoided.

This judgment, virtually unheard of from a German trade unionist, is a measure of how serious the pre-negotiation campaigning has become, despite the fact that the current three-year agreement does not end until next April.

Mr Steinkühler's comments, made to the magazine Stern, reflect anxiety within the union about the effects of a change in the law on strike pay since the union's successful strike in 1984 breaking the 40-hour week barrier.

A new paragraph 116 of the Federal Labour Law states that workers laid off because of strike action elsewhere will no longer be able to claim money from the state if they stand to gain from the core dispute.

IG Metall has previously stopped work at a few key plants in the motor components industry where it has paid full strike pay, and quickly affected the whole industry at minimal cost to the union.

The Metal Industry Employers' Federation yesterday rejected the IG Metall request to bring forward the new contract date by three months. The union argues that because of higher-than-expected inflation, its members will see a drop in their standard of living this year, despite record profits.

Ideological campaign prepared

By Steven Butler

THE CHINESE Communist Party yesterday set the stage for a strident ideological campaign - the first in more than a decade - when it issued its most authoritative policy statement yet following the bloody suppression of pro-democracy protests two weeks ago.

An editorial in the People's Daily, the official party newspaper, praised the brilliance of Deng Xiaoping, China's paramount leader, and called for the Chinese people to study a speech delivered to army commanders which has been distributed secretly within the party in the past week.

In an evident swipe at political reform in the Soviet Union and Eastern Europe where there has been scant support for the action of the Chinese army, Deng said China's turmoil was the inevitable result of the international and domestic situation.

The core message of the speech was that the economic reform and opening to the outside world would continue vigorously, but under a much more strenuous effort to enforce ideological unity. Increases emphasis would be given to four basic principles: the dictatorship of the proletariat, the supremacy of the Communist Party, socialism, and the supremacy of Marxism-Leninism and Mao Zedong's thoughts.

It said the only possible shortcoming of the party in recent years was neglect of ideological education but otherwise the policies of reform established at the end of 1978 were correct.

Deng's analysis appears to ignore views widely held in the West that economic reform and increases foreign investment in the Chinese economy are largely responsible for the growth of liberal political ideas in China.

The editorial is sure to reinforce belief in China that Deng and his political allies have run out of creative solutions to China's economic and political problems and that the only options left are to speed up the machinery of social control and political repression.

China calls businessmen in aid

By Steven Butler in Peking

CHINA IS doing its best to use unwitting foreign businessmen in a high-pitched campaign to convince the world that business is back to normal, following the imposition of martial law and the bloody suppression of protest in Peking two weeks ago.

For the past two days, foreigners who ignored the advice of their embassies to leave China and the bloody suppression of protest in Peking have been paraded on China's national television to proclaim that business is back to normal, China is safe, and that they are little affected by the turmoil.

Chinese officials, in a thinly-disguised effort to manipulate foreign businessmen, have praised the dedication of those who stayed on, and warned they would not accept social unrest as an excuse by foreigners to wriggle out of commitments.

The message about foreign businessmen is running along with government efforts to rewrite the events of two weeks ago, in which "hooligans" are portrayed as having butchered Chinese troops in an effort to overthrow the government.

Chinese joint venture and trade partners and government officials this week sent a spate of cables to businessmen who had left China, asking them to return to continue business, finish negotiations, or hear briefings by government officials.

US diplomats said yesterday that they, along with most Western embassies, were still advising their citizens that China was not safe, and that they should wait to be certain



A People's Liberation Army soldier stands guard in Tiananmen Square, Peking. Troops continue to control the area more than a week after the massacre of protesters there.

that stability can be re-established. The US is also concerned that an anti-American campaign in the Chinese news media could endanger US citizens.

The US officials said US businessmen were concerned they would be used by the Chinese government for propaganda purposes and that this had caused some to delay their

return to Peking. But they expected that businessmen would begin to return next week. According to the Chinese government, 90 per cent of resident foreign businessmen have left China.

The US officials also emphasised that US policy to encourage growth of commercial ties with China was unchanged. A number of diplomats said they

expected the recent turmoil to result in some companies pulling out of China or cancelling planned investments.

This is in part because business conditions have deteriorated in recent months under a Peking government retrenchment programme.

Social and political turmoil was seen as the last straw that will convince many to leave.

snagging business to take a gradual approach in returning to China.

It remains to be seen whether business will heed the ministers. The Foreign Ministry is known to be sensitive to foreign criticism of Japanese attitudes to international affairs.

Miti generally takes a more narrow view of the importance of Japan's economic interests, however.

Seven Chinese students and two businessmen have sought political asylum in Denmark and there are unconfirmed reports of a defection by a diplomat in Scandinavia.

More diplomats apply for asylum abroad

By Robin Pauley, Asia Editor

THE number of Chinese diplomats seeking asylum abroad is rising, with Canada, Britain, the US and Australia among those now processing requests.

Inside China, the US Embassy and at least one other, thought to be the Australian Embassy, are giving refuge to dissidents seeking asylum.

A number of Western embassies in Peking issued a large number of visas before the crackdown and several dissident leaders made it out in time, principally to the US and Australia.

Canada's Conservative Government said it would deal sympathetically with any Chinese seeking refuge status.

The government would not comment on the number or provide the names of those seeking deflection. But at least six Chinese diplomats and staff are believed to have defected from the embassy in Ottawa and from the consulate in Vancouver.

A request for asylum is also being considered by the Australian Government which has also extended the visas of some 15,000 Chinese students, businessmen and visitors in the country for one year, and said it is reviewing rules to enable them to stay permanently.

FINANCIAL TIMES

NUMBER ONE SOUTHWARK BRIDGE, LONDON SE1 9HL
Telephone: 01-873 3000 Telex: 922186 Fax: 01-407 5700

Saturday June 17 1989

Economies and states

CENTRAL bankers are cautious people. They consider it their job to give warnings on elected politicians. Since the Bank for International Settlements is the central bank's central bank, one would not expect anything but trepidation from it, almost regardless of the state of the world economy. Judged by these standards, the BIS report out earlier this week is almost unbalanced. "A qualified change for the better" is the title of the first chapter. Later on, one reads that "it remains true that, in general terms, economic performance last year was considerably better than had been expected by virtually all observers, official and private alike." Have these distinguished residents of Basle lost their central bank's capacity to carp?

Dollar trough
The dollar reached its trough at the end of 1987. With a stronger dollar, higher interest rates in the US and unexpectedly strong growth worldwide, central banks outside the US began to tighten from the summer of 1988, with the Bundesbank leading the way within Europe and the Bank of Japan the last to join the new trend. Just as the collective results of the earlier expansionary policy were welcome, so has been the tightening. Even an institution as cautious as the BIS now recognises the possibility that the economic expansion of the 1980s and the extraordinary high rate of unemployment in Europe and the debt overhang of developing countries. Yet it now looks possible that the industrial economies will manage something they had failed to achieve for twenty years, a period of growth that does not end in an inflationary crisis. At least they have convinced the bond markets that this will be achieved.

Should one then conclude that the relations between the bits of the world economy are far less important than the way the world economy performs as a whole? The answer has to be yes. This is the inevitable outcome of the process of capital and trade liberalisation on which the industrial economies have been engaged.

Dance politicians
Politicians are dunces, it appears. Yet "the generally medium-term orientation of industrial countries' macroeconomic policies, their structural adjustment efforts, an increased international co-ordination of policies seems to be paying dividends." Thus, like many others, the BIS is in two minds.

There is a pattern to be discerned here. It is this: the whole performs noticeably better than the parts, largely because the mistakes of the individual major countries have proved mutually offsetting. It is the capital market that has matched everything up through the infamous "imbalances." Far from being the solution, imagine the rate of inflation one would now witness in the US, let alone the UK, if it had not been possible to run large current account deficits.

The interconnections among the major economies since the start of the expansion of the early 1980s have proved fortunate. The initial stimulus to the world economy came from the US as its fiscal and current account deficits soared. Then, when the dollar turned downwards in 1985, the surplus countries were pushed into

more expansionary policy, this being the normal result of dollar weakness on such export-oriented economies.

As the European election campaign draws to its close, Mr Antoine Waechter, leader of France's Green party, has almost looked as though he were enjoying himself. Enjoyment does not come easily to this serious, cold-eyed environmentalist, as grey as he is green.

Michael Skapinker on executive remuneration in Britain and elsewhere

Britain's highest paid executives often seem much more ready to accept large pay increases than to explain why they deserve them.

Lord King, chairman of British Airways, whose pay in the March month doubled to £385,791, was this week travelling on the Continent. Despite BA's introduction of the world's first international satellite telephone service on board its flights, the company said he could not be contacted for comment.

Mr John Ashcroft, chairman and chief executive of Colson, the home products group, also could not be contacted to explain the increase in his remuneration from £152,000 to £517,000 last year. The company's earnings per share rose by 11 per cent in the year to March 31.

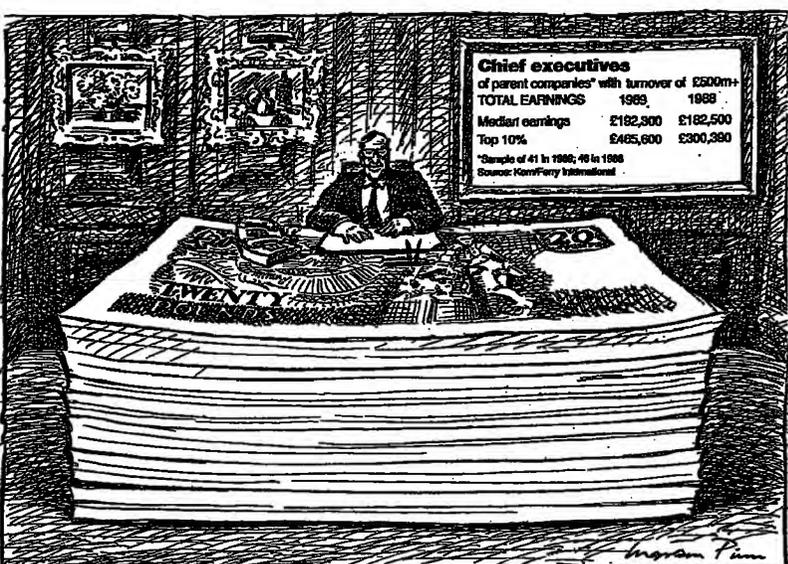
It is safe to assume that, like their counterparts in other companies, they would all strongly deny that they set their own pay. It is a suggestion which most of Britain's best-paid executives find deeply irritating.

They insist they do not decide what they should be paid. The usual explanation is that the board of directors, on the recommendation of its remuneration committee, decides on such salaries. When a chief executive discovers what his colleagues think he is worth, he is as astonished and delighted as a myopic swot who has just been voted most popular boy in the class.

For many people, this explanation strains credulity. And even some who do believe it suspect that if a chief executive told his committee it had been too generous, it might be prevailed upon to pay him less.

One chairman who was prepared to discuss his pay rise was Sir David Scholey of S.C. Warburg Group whose remuneration rose from £172,000 in 1987-88 to £559,000 in 1988-89 (still below its pre-Crash level). The reason for his lower salary in 1987-88, he explained, was that he had not received any performance-related payment that year. In 1988-89, on the other hand, he benefited from a long-term bonus scheme. He also received a £125,000 payment linked to his performance last year.

In view of the fact that S.C. Warburg's pre-tax profits increased only marginally from £1.1m to £1.5m, why was he entitled to a performance-related bonus? "That's what the senior compensation committee decided I warranted," he said. Asked on what basis the committee made its decision, Sir David said: "They would have looked at the company's situation, maybe the achievement of other firms." Did he feel happy about accepting the bonus in view of the small increase in profits? "If I didn't think it was right I wouldn't have accepted it."



The rise and rise of top people's pay

combined weight of the Labour government's income policies and the traditional British view that there was something unseemly about earning lots of money.

Even when the Conservatives came to power, UK executives seemed reluctant to be seen to be earning too much. The man widely credited with shattering the taboo was Sir Ralph Halpern, chairman of the Burton Group. In 1986, he swept past Mr Richard Giordano, the American chairman of BOC, to become the highest paid executive in Britain with £1m in salary and performance payments.

Mr Giordano had not been comfortable with the label of Britain's highest-paid businessman. Sir Ralph revealed in it. The next year he went several steps further, proposing an incentive scheme granting him share options worth £2.5m.

Unlike some of his colleagues, Sir Ralph never pretended that he was the reluctant recipient of these riches. High pay was his own bid. He saw himself as the pioneer who would ensure that UK executives would finally be paid what they were worth.

"Some lead from the rear and some from the front," he said. "I lead from the front. I wave the flag and rally the troops." At least one senior industrialist has joined the highest-paid himself, pledged to congratulate him.

As a justification for high pay, the argument that senior executive earnings merely reflect corporate success held up well - until some companies started awarding increases far in excess of company performance, or even granting increases when profits fell. Plessey, the UK electronics group, suffered a 6.6 per cent fall in pre-tax profits in 1987-88. Despite that, the salary of Sir John Clark, its chairman, increased by 33 per cent to £288,200.

To justify the rise, Plessey produced an argument which has become a familiar adjunct to the contention that pay merely reflects company performance. Profits might have dropped, Plessey said, but its chairman still deserved more because his salary was low compared to chairman and chief executives of other companies. Top pay, like everything else, was subject to market forces. If companies did not pay competitive salaries, they could not expect to keep their key people.

How do companies know what they should be paying their senior executives? Mr Kit Power, chairman of Spens Sturt, a firm of headhunters, says it is when companies are looking

for new leadership that they discover the true market rate for senior executives. "If you've got a very big company with a problem that needs to be fixed, your chief executive has got to be exceedingly good and the available choice is probably going to be very small," Mr Power says. "When you find that person he's almost certainly going to be happy where he is."

Although people of that calibre are unlikely to move simply for a better remuneration package, the pay has to be good enough to make the switch worthwhile, he says. The remuneration also needs to compensate for the changes announced in this year's Budget, limiting the amount that can be paid out of a tax-approved occupational pension scheme to £40,000 annually. Although the limit does not apply to people already in company pension schemes, it does affect those who change jobs after June 1 this year.

It is not just other UK executives who provide a yardstick for British managers. Increasingly, according to Hay's Mr Burnford, they compare themselves to their counterparts in other companies abroad. More important perhaps, they compare themselves with their own subordinates working for the company in other countries.

"I remember six years ago sitting with the chief executive of one of the clearing banks and the chairman of the compensation committee of that bank. At that time, the chief executive was the 30th highest paid person in the bank. Those who were more highly paid than him were working in the United States, Hong Kong and Switzerland," Mr Burnford says.

British heads of division, he says, often have foreign managers reporting to them who earn higher salaries. Sending promising managers on over-

seas assignments also exerts upward pressure on pay, he says. The managers tipped as the next chief executive of an international oil or chemical company might be sent first to head the business in the US - at a higher salary than he would have earned in Britain. When the time comes for him to return to the UK, "will he come back for a knighthood and the glory of England?" Burnford asks. He will expect to come home with an internationally competitive salary, he says.

While comparisons of average salaries for chief executives still show Britain lagging behind other European countries, there is evidence to suggest that the best-paid British managers have closed the gap. Mr Nick Boulter of Hay puts the total cash earnings of a typical chairman of a large UK multinational at £475,000 a year. It is true that the head of a Swiss multinational earns £600,000. But the head of a large French company can expect to earn £385,000, while his Dutch counterpart would be on £220,000.

British executives still have other targets to chase, of course. The average Canadian chairman earns \$785,000. In the US, the average figure for the head of a big multinational is \$1,075,000. The most highly paid Americans earn far more than that.

Many on both sides of the Atlantic believe that US executive pay has, in many cases, lost any link with corporate performance. Writing in the Harvard Business Review last year, Mr Arch Patton, a retired director of McKinsey and Co and a pioneering authority on executive pay, warned that "companies that breaking apart because executives earning millions of dollars a year cannot agree with their colleagues on how to earn millions more."

Some of the more thoughtful British executives worry about things going the same way in the UK.

While not prepared to discuss any individual cases, some are critical, too, of companies which put salaries up when profits go down. Even if the chairman's salary is felt to be low by comparison with that of other executives, Sir John Harvey-Jones, who now sits on the remuneration committee of Grand Metropolitan, the Economist and Burns-Moller, the financial services company, believes it is wrong to increase pay when profits are down. "There is a time and there is a place. If profits go down and you award a big increase, you have been guilty of a certain insensitivity," he says.

Sir Ian MacLaurin, chairman of Tesco and a non-executive director of Guinness and Enterprise Oil, says: "If Enterprise Oil and Guinness did not perform well, I wouldn't put my name to salaries that were upward. I would rather resign than do that."

Both insist that in all the companies with which they have been associated, the non-executive directors have been given a free hand to set the chairman and chief executive's salaries.

Harvey-Jones worries about an issue at which many of his colleagues tend to scoff: that Britain has become a divided society and that large pay awards to senior managers make matters worse. He does not argue that chief executives should not be paid high salaries, just that they should be able to justify them.

People, whether shareholder or employees, "will put up with a hell of a lot, as long as they think it's fair," he says. "But any remuneration committee which just dishes out money to the chief executive regardless of performance is, firstly, being derelict in their duty and, secondly, asking for trouble. And they'll get it."

MAN IN THE NEWS

Antoine Waechter

A Green beaver with his briefcase

by George Graham



Marxism and a pinch of regionalist folklore. But Mr Waechter himself is clearly ill at ease with the 1968 heritage. "My references are not in Marx - perhaps in [Ivan] Illich," he says. The great ecologist battles of the 1970s - the Plogoff nuclear power station in Brittany or the Larzac army base - were fought by Woodstock-style mass gatherings. The new generation of Greens fights in committee, with briefcases full of documents to support its arguments. This is the sort of battle in which Mr Waechter has excelled for the last 25 years.

He began at the age of 16, with a successful campaign to stop a motorway in the Vosges mountains, continuing with a programme to reintroduce the beaver in his native Alsace, and venturing across the German border to combat the

Wyhl nuclear power station. By 20 he was departmental secretary for the Association for the Protection of Nature, and already convinced of the need for a solid organisational machinery. He declares triumphantly that he boosted the association's budget from FF100,000 to FF2.5m.

To his love of animals - with a doctoral thesis on beech martens to prove it - Mr Waechter allies a natural antipathy for property developers; besides motorways, golf courses, in particular, make him see green. But he also has a strong Third World streak in his ideas; the imbalance between North and South, he explained in a recent television interview, is at the root of much of the environmental crisis which he now sees as facing the earth.

The risk in the Waechter approach is of boring the audience. Mr Waechter has proved that he can talk at length and interestingly about a range of subjects going beyond his environmentalist stock-in-trade, but his presentation is chilly, and in personal charisma he falls far short of Mr Lalonde, now Environment Minister in the socialist government and seen by the Greens as a traitor. At 40, he still has the look of a rather earnest schoolboy, but has none of Mr Lalonde's tumbled youthfulness.

He has taken to being photographed in an open-necked shirt with an ear of wheat sticking out of his mouth, but he looks more natural in a coat and tie. "Be sexy, Antoine," his supporters have pleaded with him. That is not Mr Waechter's style, however, although he has developed a better smile for the cameras since his first

YORK
THE DISTINCT ADVANTAGE

We know the advantages of York... But there's one distinct advantage... THE DISTINCT ADVANTAGE OF YORK

Unparalleled quality of life and environment - stunning city with well-tended international business facilities - less than 2 hours from London on InterCity's fastest route - low cost prime city centre and green fields.

NO. 1 IN THE WORLD FOR BUSINESS AND INVESTMENT

For copies of the York Fact Book complete the coupon and post to: York Development Corporation, York, YO1 1QZ, Tel: (01904) 820000

NAME: _____ POSITION: _____ COMPANY: _____

ADDRESS: _____ POSTCODE: _____

After the European vote, Philip Stephens assesses the mood among British politicians

The supreme self-confidence of Mrs Margaret Thatcher's Government has been badly shaken.

If the opinion polls are right, the Prime Minister has lost an election, and, importantly, one in which she personally is expected to lead the Conservative campaign.

She faces the prospect that the results tomorrow of the election to the European Parliament will show that for the first time since 1974 Labour has won a larger share of the votes than the Conservatives in a nationwide poll.

The 12 point lead for Labour indicated by a BBC survey of voters leaving the polling booths may, of course, prove exaggerated. But, unless it is hopelessly wrong, the message will be that Mrs Thatcher can no longer take power for granted.

Rising inflation, underlined again yesterday by the acceleration last month to 8.3 per cent, high interest rates, and concern about the health service have been compounded by a sense that the Government is in a difficult position.

Mrs Thatcher's public disputes with the Chancellor - despite her fulsome praise of Mr Nigel Lawson the differences have not gone away - and the renewed jitters on the financial markets have put a question mark over her judgement.

Mr Neil Kinnock, whose party also recorded comfortable victories in the Vauxhall and Glasgow by-elections, no longer sounds quite so fanciful when he says that Labour now has a real chance of winning the next general election.

His understandable euphoria has to be put in context. A succession of senior ministers repeated over and over again, yesterday, no Government in mid-term can expect a resounding vote of thanks from the electorate. There is concern rather than panic in the Cabinet.

Ministers yesterday were busily recalling the recovery from the desperate days of 1981 during Mrs Thatcher's first term, and a similar rebound from the difficulties that beset her mid-way through her second term in 1985.

They were also consoling themselves with the fact that in the European poll the election (only about 35 per cent of whom bothered to vote) were aware that they were choosing not a government but representatives for an institution few fully understand.

That was clearly reflected in the striking increase in support for the Greens, which political analysts see as a classic example of a pendulum swing. Disappointed Tories apparently joined many others who ignored the Greens' advocacy of such policies as unilateral nuclear disarmament in order to register their dissatisfaction.

A separate BBC opinion survey of how people would vote in a general election shows a much narrower gap between the two main parties, with Labour on 42 per cent and the Conservatives on 38 per cent.

Such caveats, however, are not enough to allow Mrs Thatcher to brush off either the European elections or Labour's series of strong performances

Ending a myth of invincibility



Neil Kinnock: recent victories reinforce claims of credibility

in recent by-elections. Whatever they may be saying for the record, ministers privately concede that the Government's hitherto ironclad image of competence and control has been dented.

So while Mr Cecil Parkinson, the Energy Secretary, was yesterday reduced to publicly rebuking the BBC for publishing an exit poll before other European countries had voted, one of his cabinet colleagues was privately predicting a difficult and potentially acrimonious post-mortem.

The problem, he said, was that Conservatives had forgotten that they could lose elections as well as win them. MPs sitting on majorities hitherto regarded as impregnable would now begin to wonder just how safe they were.

The Government is now facing a Labour party looking more credible than at any time in the past decade. The crumbling of support for the two centre parties gives Labour a golden opportunity to re-establish itself as an alternative government.

The campaign for the European election underlined the change. Mrs Thatcher, at odds in private with Mr Lawson over economic policy, was drawn into a much more public dispute with Mr Edward Heath, the former prime minister, over her attitude to the European Community.

Perhaps more important, her decision to fight the election on the basis of a strident defence of British sovereignty against the encroachment of a Euro-

pean "superstate" appeared out of touch with many Conservatives who are far less enthusiastic about Brussels than Mr Heath.

So instead of turning into a celebration of Mrs Thatcher's undoubted influence on developments in Europe over the past decade, the campaign appeared defensive, worried, and most damaging of all, divided.

Sitting next to the Prime Minister at campaign press conferences, Sir Geoffrey Howe, the foreign secretary, frequently looked on disconsolately while she attacked the "Brussels bureaucrats".

The contrast with the Labour campaign - which began 10 weeks ago with the party's success in the Vale of Glamorgan by-election - could not have been more marked.

Far from united itself on Europe, Labour managed to set an agenda that focused on Mrs Thatcher's domestic record - on the economy, on the poll tax, on plans for the health service and on the state of Britain's drinking water and beaches.

Its most important aim and achievement, according to Mr Brian Gould, the campaign coordinator, was to banish the widely-held belief that the Tory government could not be beaten.

The populist appeal of Mrs Thatcher's defence of things British was blunted by Labour's insistence that she was depriving voters of the best available in Europe - better environmental standards, higher pensions, better health care.

More broadly, Labour's clear shift away from the left in its recent policy review, marked by the abandonment of policies like unilateral nuclear disarmament, has left it poised to exploit a slump in support for the two centre parties.

The poor performance this week of Mr Paddy Ashdown's Democrats who look likely to be pushed into fourth place by the Greens in the European poll - and the even more rapid demise of Dr David Owen's SDP, has brought a return to two-party politics.

The, admittedly slim, evidence so far is that Labour is winning the support of perhaps two disaffected supporters of the former Alliance for every one going to Mrs Thatcher.

If that trend is confirmed, the Conservatives will have to reconsider seriously the assumptions that Mr Kinnock has no hope of winning back enough seats in the south of England to threaten their majority.

But the first priority for Mrs Thatcher will be to prevent the present worries in her own party's ranks from turning into public spending. Her instinct, and that of most senior ministers, is that there is no alternative but to press ahead with such contentious measures as reform of the national health service, privatisation of water, and introduction of the poll tax.

With an election not necessary until mid-1992, it has three years to "get the economy right," and to shake off the unpopularity of its controversial legislation. If Mr Lawson can tame inflation, the huge budget surplus will provide ample scope for both tax cuts and large increases in public spending.

None the less, many senior figures in the Conservative party will be drawing more immediate lessons.

Some ministers believe that the first is that the expected cabinet reshuffle next month should provide both reassurance that the Government is keeping its nerve and a fresh look at areas of public concern, such as the environment and transport.

That would probably mean keeping figures like Mr Lawson and Sir Geoffrey in place and focusing change in areas where the Government clearly needs to improve its image. Such a reshuffle might involve the dismissal of Mr Nicholas Ridley as Environment Secretary with one of the party's rising, telegenic stars.

At the same time Mrs Thatcher herself is likely to come under pressure to soften what her critics call her authoritarian style of running the Government.

Her apparent disregard for the views of other ministers since the retirement last year of Lord Whitelaw has generated concern among many Conservative MPs for some time. Her apparent misjudgment of the mood of the electorate in this week's elections will significantly strengthen their case.

But for the moment at least it will be the Labour party that has the initiative; and if the arithmetic still makes a victory for Mr Kinnock at a general election look more than daunting, that will not stop him claiming that now at last it is within his grasp.

Magnetising children in south London

David Thomas looks at Wandsworth's plans to restructure its nine secondary schools

In February, Mr Donald Naismith, Wandsworth's first director of education, toured the schools of New York and Miami. He came back fired with ideas for transforming the south London borough's education service.

Foremost among these was the concept of the magnet school, which seeks to build a reputation for excellence in run-down inner city areas by concentrating on particular activities, such as science or the performing arts. A big improvement in school standards in Harlem district has been widely attributed to the introduction of magnets.

Wandsworth, whose privatisation and staff shedding initiatives have made it one of the Government's favourite council schools, will inherit responsibility for educating the borough's children from the Inner London Education Authority (Ilea) next April.

"The all-purpose, mixed-ability Ilea comprehensive school is out, stressed Mr Naismith, just in case anyone underestimates the assault Wandsworth is launching on the status quo.

However, there is some dispute as to how closely Wandsworth is following the US example. Mr David Maitland, Ilea's education officer, argues that US magnet schools are highly selective - a feature which does not appear in Wandsworth's plans.

None the less, Wandsworth is certainly breaking new ground in Britain with its proposals to "magnetise" all its nine secondary schools.

Each school will be invited to bid for a slice of a £10m capital fund to buy equipment needed to develop centres of excellence, with the first magnet schools being established in 1991.

Mr Naismith, who earned a reputation as one of the Government's few friends in the education service whilst he was director of Croydon's education service, believes magnets could raise standards in many more inner city schools than the Government-backed City Technology Colleges will do.

In contrast, Mr Naismith envisages magnet schools taking

ling two distinct problems at different ends of the educational spectrum in all Wandsworth's schools.

First, there are the low achievers, the thousands of inner city children who are disillusioned with education. Mr Naismith believes that they are neglected because they see no link between their compulsory schooling and the world of work.

So Wandsworth's schools will be expected to bid for magnet specialisms with a strongly vocational flavour. Legislation and administration form one example; science, technology and the technology of the arts make up another.

Second, there are the bright children who are often neglected because of comprehensive schooling.

Wandsworth points to its own version of what in the US is known as the "bright white flight" from public sector schooling. About 15 per cent of Wandsworth's schools, thereby educated privately, with another 20 per cent travelling to state schools outside the borough - mainly, the council says, to non-Ilea authorities such as Kingston.

Wandsworth's magnet schools will make provision in their specialisms for bright children - a concept which overturns two decades of comprehensive school orthodoxy. "We have accepted as a council head-on that children should have the progress by their attainments," Mr Naismith explains.

The council will bring in what Americans call "tracking": children should proceed at a pace dictated by ability, not by age. A 14-year old who has gone into year 10 should be able to join 16-year olds for maths lessons and Mr Naismith stresses that the once-and-for-all grading of the old 11-plus exam will be avoided.

The proposals will lead to a raft of other changes. They have implications for school hours, since the magnet specialisms will be taught on top of the new demands of the national curriculum. Mr Naismith envisages that the magnet lessons, which will be taught

between 4pm and 6pm, after normal school hours.

This in turn has implications for teachers' conditions of service. Mr Paul Beresford, the council's leader, hints that Wandsworth may have to ask the Government for greater control of its teachers' pay and conditions. However, he says the magnet initiative itself will not need extra funds. He says Wandsworth will be able to cover the initial £10m capital cost out of capital receipts, largely from council house sales.

The implications for revenue spending could also be considerable. For instance, Wandsworth is considering offering French, Spanish, German, Russian, Latin, Greek and Urdu in the sixth form of a magnet school majoring in languages. Contrast that with the present position: the council says there is only one sixth former taking A-level German in Wandsworth's schools at present.

But Mr Beresford is sanguine on the revenue side too, pointing to two sources of saving: first, Wandsworth will run a leaner administration than Ilea; second, it will attract back those parents now shunning Wandsworth's schools, thereby cutting down the cost of maintaining unutilised school places.

The council will first need to sell the magnet proposals to its teaching force. Wandsworth's head teachers, who also went on the New York tour, were considerably more sceptical of what they saw there than Mr Naismith. They wonder whether it is sensible to encourage children to specialise as early as 14 - the age at which magnet provision would begin - and are concerned that it could mean many children changing schools at this age.

For its part, the council has stuck its neck out by attaching performance criteria to its magnet proposals. It wants to halve the net outflow of Wandsworth children from its schools in five years. It is aiming almost to double the staying on rate for 16- and 17-year olds to 80 per cent in eight years. These are bold targets by which to judge its experiment.

LETTERS

Cap in hand

From Mr D.W.G. Sawyer.

Sir, While the heavyweights slug it out in your columns over whether the "cap" for deductible occupational pension schemes should be related to earnings or the retail price index (RPI), or be much higher, or unlimited; spare a thought for those actually in receipt of company pensions.

Helpless in the face of inflation at 8 per cent, they have no assurance that their pensions will be even so generously treated as to be linked to RPI, let alone rip-roaring earnings. A lucky few retired employees of responsible companies might look forward to a 3 per cent increase, most of them less - or nothing at all. Worse: the pension fund surpluses which were available to support pension increases in hard times have been melting away as trustees - many with conspicuous conflicts of interest -

repeated contribution holidays.

I am not conscious that the present contentions have waged so vigorous a public campaign on behalf of the huge body of unrepresented pensioners - certainly the Occupational Pensions Board has not. Its recent report dived the whole issue of the ownership of surpluses, and prevaricated on pension improvements.

Whatever the merits of the Finance Bill proposals and of portable pensions (one merit is that their benefits are safe from predators), these unresolved problems of occupational pension schemes will be with us for many decades yet - unless the Secretary of State for Social Security is bold enough to resolve them. Millions of pensioners stand, cap in hand, waiting for equity to be done.

D.W.G. Sawyer, 17 Margate Mansions, Margate, SW1

'The probable decline of Lloyd's

From Mr Edward de Bono.

Sir, As you suggest in your leader (June 10), the Outwaste affair at Lloyd's is far more serious than the PCW affair, because it brings into question fundamental concepts. Five factors contribute to the probable decline of Lloyd's: scientific reality; the American scene; inadequate laws; obsolete mechanisms; and a death wish.

Scientific reality may show tomorrow that asbestos contributes to liver cancer; that soft drinks in aluminium cans predisposes to Alzheimer's disease; that radiation from television increases the likelihood of breast cancer. That would create another asbestos scene that could never be predicted. There is a difference between unlimited liability in which there is a limit but the limit is not predetermined, and "infinite" liability in extent and time (as in the Outwaste affair). There is no way that realistic premiums can ever cope with infinite liability.

In the American scene (a large part of Lloyd's business) there is simultaneously a move to cap premiums and to extend losses. Some states have started to cap premiums, and Ralph Nader is himself targeting Lloyd's. The trend is that

way. On the other hand, liability awards are out of hand, with no limit to the awards. The capping of anonymous insurers. The capping of profits with unlimited losses fundamental concepts. (Furthermore the worst business comes to Lloyd's, as a source of last resort.)

On a purely mathematical basis (edge analysis) it can be shown that evolution is a very ineffective and dangerous mode of change where large times differ. This point was reached some time ago in malpractice insurance in the US. So the law will always be inadequate to deal with the changing realities of insurance.

The mechanisms of Lloyd's continue to be inadequate and seem designed to protect the institution of Lloyd's - the agents and the underwriters - at the expense of the "names" (individual members of Lloyd's). Yet without the "names" there can be no Lloyd's.

It is alleged that the Outwaste syndicate was known to be overtrading, but nothing was done about it. The "old boy" club atmosphere is simply not adequate (as the PCW affair showed). At very least the "ombudsman" should properly and directly represent the interests

of the "names". The option of resigning or changing agents or syndicates is meaningless, as the open-ended nature of the Outwaste affair shows ("names" are permanently locked in).

Finally there is the death wish of Lloyd's; it seems to prefer to die of nostalgia rather than adapt to present-day circumstances. There is no concept that should be sacrosanct because it is used to work. Lloyd's should not be defined by concepts which are dangerously out of date (such as unlimited liability), but by a vigorous insurance grouping able to see reality - and adapt.

A special creative commission on changing concepts should be set up immediately.

As your leader suggests, the Outwaste affair is not about fraud, nor even short-term greed, but about fundamental changes in the realities of insurance. Everyone knows about these changes. But people hang on to the old concepts in the hope that times will get better again.

They will not and cannot. The Outwaste affair must be settled equitably, and at the same time fundamental new thinking must take place. Edward de Bono, LE Albany, Piccadilly, W1

A cap of inappropriate design

From Mr T.D. Pigott.

Sir, The cap on earnings for funded pension schemes will be that, in time, more and more employees will receive more and more pension rights through unfunded schemes.

This is contrary to Department of Social Security policy - for example, the 1984 consultative document "Greater security for the rights and expectations of members of occupational pension schemes," and the remit to the Occupational Pensions Board for its report this year, which was to report on "... any

other measures to safeguard the rights of members of occupational pension schemes who are not Government policy. There is no departmental policy. The right hand does not know what the left is doing. T.D. Pigott, 61 St Mary Axe, EC3

Cutbacks could cause flight from China

From Mr Nigel Campbell.

Sir, The future of foreign investment in China is uncertain. A fragile relationship has been damaged.

Not only has business confidence been badly shaken, but Western-oriented managers and officials in China are under threat. They could be displaced or sidelined by the political campaign gathering momentum in Peking.

In the circumstances, some firms may well be thinking of pulling back their China operations, or at least postponing new investment. A few well-publicised cutbacks could lead to a flight from China every bit as dramatic as the rush to invest in 1984 and 1985.

To think out their own strategy, companies need to understand the difference between export-led and domestic-oriented investments. Separating these two types disentangles much of the confusion surrounding the success of foreign

investment in China. In the early days, some firms were misled by the lure of China's huge domestic market. Agreements about export quotas and the balancing of foreign exchange were made without appreciating the difficulty of achieving them. Inevitably, problems arose. Joint ventures had difficulty producing goods of suitable quality and price to export, and they suffered from bureaucratic interference and the vagaries of China's half-free markets.

Other firms focused on exports right from the beginning. Some went for 100 per cent exports. Others made sure that their projects would earn enough foreign exchange to pay for imports, expatriate salaries and dividends; they only struck a deal when the chances were good that this could be achieved.

Problems arose, but usually the Chinese partner and local authority, eager for foreign

exchange, were more than helpful. Probably three-quarters of more than 6,000 equity joint ventures with China are reasonably successful export-led projects.

Most of the investors are Hong Kong entrepreneurs taking advantage of China's low cost land and labour. Others transfer technology to exploit China's unique resources in agriculture, minerals and tourism attractions. (Tootal, for example, supplies textile technology to its joint ventures, which earn vital foreign exchange by exporting most of their output.)

Only time will tell. But these export-led investments are those which have been most successful in the past. They remain the best prospects for the uncertain future ahead. Nigel Campbell, China Research Unit, Manchester Business School, Booth Street West, Manchester

The bland may lead the bland

From Mr David Burgess.

Sir, Mr Nicholas Ridley's criticism of the standard of UK housebuilders' design some months ago brought hope that the Environment Secretary was entering a lucid period. Unfortunately not. It is beyond comprehension that he has approved Mr Peter Palmbo's proposal to demolish listed buildings in the heart of the City and to replace them with yet another example of bland architectural mediocrity.

Mr Palmbo has followed the usual developer's trick of letting the buildings fall into a

state of disrepair in an attempt to obscure their merit. There is heavy irony in proposing to redress this site, when there is a box-like 1980s monstrosity ripe for the purpose just across the road.

Far from allowing this development, if planning were properly organised in the UK, Mr Ridley should have been able to force Mr Palmbo to repair the listed buildings, or to sell them to someone who would,

David Burgess, 42 Guyana Park Avenue, Woodford Green, Essex

ADVERTISEMENT

BUILDING SOCIETY INVESTMENT TERMS

Table with columns: Product, Applied rate net, Net CAR, Interest paid, Minimum balance, Access and other details. Lists various investment products from Abbey National, Alliance and Leicester, Barclays, etc.

UK COMPANY NEWS

GA makes agreed £112m offer for outstanding 49% of NZI Corpn

By Nick Bunker in London and Andrew Pirie in Wellington

GENERAL ACCIDENT, the NZ\$36.5m initially triggered by what NZI calls "the downfall of entrepreneurial investment companies" after the 1987 stock market crash, NZI Bank's bad debt problem also now stems from difficulties borrowers are facing in meeting high interest rate costs.

Speaking in London, Mr Ian Menzies, GA's finance general manager, said GA had not been carrying through rapidly a programme of cost-cutting and asset sales aimed at restoring to health the group's banking arm.

NZI annual results, also published yesterday showed that it made an after-tax loss of NZ\$390.5m for the year to March 31, reflecting NZI

Bank's bad debt write-offs of NZ\$36.5m. Initially triggered by what NZI calls "the downfall of entrepreneurial investment companies" after the 1987 stock market crash, NZI Bank's bad debt problem also now stems from difficulties borrowers are facing in meeting high interest rate costs.

Speaking in London, Mr Ian Menzies, GA's finance general manager, said GA had not been carrying through rapidly a programme of cost-cutting and asset sales aimed at restoring to health the group's banking arm.

NZI annual results, also published yesterday showed that it made an after-tax loss of NZ\$390.5m for the year to March 31, reflecting NZI

was being made towards asset sales. NZI was "pretty close" to concluding the sale of its Swiss banking operation and there had been more than 10 potential buyers showing "serious interest" in buying its London merchant bank, Arbutnot Latham. GA has been making it clear for some time that it did not expect to keep NZI Bank for the long-term.

The bid means NZI will not be going ahead with a rights issue underwritten by GA, which otherwise would have been necessary to recapitalise the group. The likelihood is that it would have been in the NZ\$450m-NZ\$500m bracket, and left GA with more than 70 per cent of the New Zealand group.

Mr Norman Johnston, NZI's

chairman, said his directors would be recommending the offer as shareholders otherwise faced further falls in NZI's share price. NZI shares traded at 51 cents yesterday.

He warned that the outlook was so grim that the company did not expect to declare a dividend for the next two years. He said that without GA's takeover, NZI would need to raise about NZ\$670m, on top of already heavy borrowings, to keep afloat.

NZI's problems paralleled those of the Bank of New Zealand, which last week posted an annual loss of NZ\$648m and also blamed a rash of unwise lending to once-failed entrepreneurial companies.

See Lex

3i and Bank of Scotland in Rodime rescue move

By James Buxton, Scottish Correspondent

RODIME, the computer disk drive maker which is suffering heavy losses and recently replaced its top management, last night unveiled a rescue package worth about \$68m in which Bank of Scotland and 3i are playing major roles.

It is to raise \$13.4m (£8.84m) through a deeply discounted 17-for-one rights issue and will obtain further new capital totalling about \$10m. In addition Bank of Scotland is making available \$30m in revolving credit facility and medium-term loans. Creditors are also providing a refinancing package worth about \$14m.

The terms of the rescue reduce existing shareholders' interests to just 5 per cent of the new equity.

In April Scotland-based Rodime, which claims to have invented the 3 1/2 in disk drive, disclosed an after-tax loss of \$35.6m for the year to September 30 1988. It lost a further \$33.5m in the first two quarters of the current financial year. In 1987 losses were \$18.4m.

Shortly afterwards Dr Leonard Brownlow, chairman, and Mr Mervyn Brown, managing director, resigned. They were replaced by Mr Thomas O'Kamp as chairman and Mr Peter Bailey as managing director, both senior figures in the US disk drive industry.

Last night Mr David Matthews, of Noble Grossart, the Edinburgh merchant bank which helped devise the rescue package, said that the company's new management and its new range of products had been well received.

The recovery strategy is based on the exploitation of its new range of 100mb and 200mb 3 1/2 in disk drives, and on developing relationships with major computer manufacturers in both the work station and mainframe markets. All remaining high volume manufacturing is to be transferred to Singapore.

Rodime is to issue 134m new shares at 7p each - against the company's closing price of 45p. Irrevocable undertakings have been received for 23.7 per cent of these shares and the issue is being underwritten by Bank of Scotland and 3i who have agreed to subscribe to the remaining shares if they are not taken up. If this happened the bank would end up with 29.9 per cent and 3i with 25 per cent of the enlarged share capital.

The rights issue is not open to US shareholders. Its terms mean that in addition to the rights issue Bank of Scotland is to make available a \$20m revolving credit facility at 1 per cent above Libor reviewsable in one month and a \$10m loan repayable over three years up to mid-1994.

The bank will also make available a \$6m subordinated secured loan repayable in 1994, and will subscribe \$4m of 9 per cent cumulative redeemable preference shares repayable in 1992.

Trade creditors have agreed to convert debts of \$13.8m (52 per cent of Rodime's trade debts of \$27.7m) into loans to Rodime to be repaid within a year and \$7.6m by 1994.

Rodime also announced that in the three months to March 31 - its second quarter - it made an after-tax loss of \$21.48m on turnover of \$21.14m.

It made provisions of \$11.96m for restructuring during the quarter.

Pavilion Leisure launches all-share bid for Parkdale

By Philip Coggan

PAVILION LEISURE yesterday launched an agreed all-share bid for the much larger Parkdale Holdings, the property and leisure group.

Usually, the directors of Parkdale and its adviser Schroders say they are not in a position to advise shareholders "on the prospects of Pavilion and accordingly express no opinion on the offer."

However, they do say that they consider the 138p per share cash alternative, which values Parkdale at \$23.5m, to be "fair and reasonable".

The share offer is 27 ordinary shares in Pavilion for every 23 of the last night's Pavilion share price, £2.25 at 189p, or about 140p per Parkdale share, or about \$53m in total.

In its former incarnation as Glasgow Pavilion, Pavilion Leisure has been one of the great tipsters' stocks. It was one of the market's worst performing shares of 1982, one of the best of 1983, the worst of 1984 and one of the best again in 1987.

When Mr George Martin, the former chief executive of leisure groups Fleasrums and LandLeisure, became chief executive of Pavilion in April, the shares leapt again, rising

44p to 177p on the news. Now Mr Martin has been able to use the highly-rated shares to bid for a group valued at four times Pavilion's market capitalisation.

Schroders said that the difficulty in offering an opinion on the value of the share offer was based on the fact that much of the strength of Pavilion's share price was based on the future prospects of the group and Mr Martin's reputation for producing growth at Fleasrums and LandLeisure.

Mr Robert Breare, Parkdale's chief executive, is accepting the cash alternative in respect of 65 per cent of his shares and the share offer in respect of the rest.

Currently, Pavilion owns the original Glasgow Pavilion theatre, the Aston Hippodrome, a snooker and bingo club, and Hawkstone Park in Shropshire, a 300-acre site which includes two golf courses, a conference centre and a hotel.

Parkdale has been gradually transformed over the last 18 months from a property into a leisure-based group.

It owns a group of hotels, including the Select Country Hotels chain acquired earlier this year, and several golf

course developments.

De Morgan, a group of surveyors brought in by Pavilion, estimate the total value of Parkdale's assets at \$27m. However, Parkdale also has substantial debts, which were shown at the time of the purchase of Select to be about \$25m. Mr Martin said he would dispose of some of Parkdale's property assets.

Last year, Parkdale made pre-tax profits of £4.6m on turnover of £24.4m and had earnings per share of 12.3p. On that basis, the cash alternative values Parkdale on an exit price/earnings ratio of 1.1. Parkdale's shares closed 11p higher at 182p yesterday.

Following the deal, Sir Peter Parker, Parkdale's chairman, would step down, as would the chairman of Pavilion, Mr Sean O'Neill. The board would seek a new non-executive chairman with Mr Martin as chief executive.

Other proposed directors include Mr Breare, in charge of hotels and leisure development, and Mr John Bailey, financial director. The rest of the board would be Mr Geoffrey Almeida, Mr Jeremy Priestley, Mr Michael Porter and Mr Nadir Lalani.

Two make approaches to Lambert Howarth

By John Thornhill

LAMBERT HOWARTH, the footwear and luggage retailer which earlier this month escaped a takeover offer from Peter Black, a rival footwear company, is in talks with two potential bidders.

Lambert's shares were suspended at 187p on Thursday at the company's request, pending a further announcement which is expected early next week. It is understood that two possible approaches have been made to the company. At present, Lambert is trying to clarify the nature of these advances.

Mr Martin Jourdan, chairman, yesterday said he could not add anything to the statement. "I am under fifty-speak at the moment and cannot open my mouth," he said.

Mr Stephen Lister, Black's finance director, said yesterday that his company had no intention of reviving its bid, although talks were held with Lambert earlier this month about the possibility of raising its offer to 215p per share.

There was some confusion at the time of the abandonment of Black's bid on June 6 as to whether it had formally been accepted. Lambert's bid was held with Black said it would offer 215p if Lambert's board recommended the terms, but Lambert replied that if it had been a serious offer, then why was it not put to shareholders?

Two other companies also have disclosable stakes in Lambert. Futura Holdings, the Manchester-based manufacturer and distributor, owns about 8 per cent, and Henderson Leathers, a privately-owned company based in London, has more than 5 per cent.

At its suspension price, Lambert's market value is \$10.5m.

Resignations at Addison

By Ray Bashford

THE STRUGGLE for control of Addison Consultancy, the design and market research group, yesterday spilled over into a boardroom coup and the resignation of the company's financial, legal and stockbroking advisers.

In a dramatic series of events, the company's only two non-executive directors, including chairman Mr Julian Broad, resigned yesterday morning out of frustration over lack of progress in resolving the proposed sale of Addison's design business to management.

Their departure was accompanied by that of Kleinwort Benson as financial adviser, UBS Phillips & Drew and de Zoete & Bevan as joint brokers, and two Gouglers and Slaughters, City analysts who do not recall such a mass exodus.

Later yesterday, Mr Steve Smith, the chief executive who was to lead the buy-out, also quit and a reconstituted board was named. It included three resignees of Motivation, the French market research group, which has built up a

24.9 per cent holding in Addison. The new chairman is Ms Elizabeth Nelson, a director who had opposed the design buy-out.

The upheaval came amid further heavy turnover in Addison's shares with a further 2 per cent of the capital changing hands. The shares closed down 4p at 434p.

The new team in charge had opposed the buy-out by Mr Smith on the ground that it undervalued the design unit. Completion of the deal was close on at least two occasions and it is understood to have valued it at \$2m.

The sale was part of a strategy launched last December to strip the company back to a market research group by the sale of its advertising, public relations and design businesses. Agreement on the sale of the design company was the last stage in the plan.

The situation became complicated last March when MAI, the financial services and advertising company, Nicholas Graham and Jones as solicitors.

MAI built up 14 per cent stake in the group, but has never made a formal offer because of the failure to reach agreement on the design company sell-off.

Motivation entered the fight in late March through a dawn raid and has progressively built up its holding through market purchases.

The French company had contact with executives of Taylor Nelson, Addison's core market research business, before beginning to buy the shares and the two groups were preparing to strengthen their commercial links.

The original Addison directors who opposed the buy-out have about 18 per cent of its shares, which they received as payment when they sold Taylor Nelson to the group.

Last night, Addison appointed Lloyds Merchant Bank as its financial adviser, Smith New Court as one of its joint brokers (the other is yet to be named) and Nicholas Graham and Jones as solicitors.

Five other directors earned more than \$175,000. The increase follows large declines in top directors' pay in 1987-88 as a result of the stock market crash.

In that year, Sir David's pay fell from \$255,000 to \$172,000 and Mr Stormonth Darling's dropped from \$279,000 to \$165,000.

In the year to March 31 1988, Warburg's pre-tax profits increased marginally from \$111.1m to \$111.5m and its dividend was lifted from 11.5p to 12.5p.

Mercury Asset increased its pre-tax profits by 7.7 per cent from \$29.1m to \$31.2m in the year to the same date.

Its total dividend was raised by 23 per cent to 15p (12p).

Pay boost for Warburg chiefs

By John Thornhill

THE SENIOR directors of SG Warburg, the merchant bank, and Mercury Asset Management, its 75 per cent owned investment management subsidiary, received substantial pay increases last year.

In many cases, however, the directors' payments were swollen by exceptional long-term performance-related bonuses linked to the company's share price rise since 1982.

Moreover, the payments have still not returned to pre-crash levels.

In Warburg's annual report published yesterday, it was revealed that Sir David Scholey, chairman, had been given a 79 per cent pay increase to \$308,000.

Of the \$136,000 rise, \$125,000

was attributed to a performance-related bonus.

Sir David said yesterday that he had also opted to crystallise part of his long-term performance-related remuneration package bringing in \$251,000.

This brought his total emoluments to \$559,000.

A total of four other Warburg directors were paid more than \$300,000 although three of these payments were similarly boosted by deferred bonuses.

Mr Peter Stormonth Darling, chairman of Mercury Asset Management, saw his annual pay grow by 34.5 per cent to \$222,000.

That of Mercury Asset's highest paid director, who was not named in the report, more than doubled to \$337,000 from

\$138,000.

Five other directors earned more than \$175,000. The increase follows large declines in top directors' pay in 1987-88 as a result of the stock market crash.

In that year, Sir David's pay fell from \$255,000 to \$172,000 and Mr Stormonth Darling's dropped from \$279,000 to \$165,000.

In the year to March 31 1988, Warburg's pre-tax profits increased marginally from \$111.1m to \$111.5m and its dividend was lifted from 11.5p to 12.5p.

Mercury Asset increased its pre-tax profits by 7.7 per cent from \$29.1m to \$31.2m in the year to the same date.

Its total dividend was raised by 23 per cent to 15p (12p).

Hilldown's £70m stationery sale

By Nikki Tait

HILLDOWN HOLDINGS, the food, furniture and property group, yesterday announced that it was putting its contract stationery and printers' supplies businesses up for sale.

Analysts were suggesting that this could fetch upwards of £70m.

The company indicated that it might be planning some disposals of non-food interests when it emerged as the successful bidder for the Premier Foods business last week.

Yesterday, Hilldown shares jumped 5p to 273p on news of the planned stationery sale.

The business being sold comprises two parts: contract distribution of stationery and office products, which is conducted via Cartwright & Brice, HI Chapman and WH Hayden; and the supply of materials to the graphic arts, printing and

allied industries, through FS&E, Kleinwort Benson, advising Hilldown, said yesterday that there was a strong preference for selling the businesses together, but a split could be considered.

Stationery is a long-standing activity of Hilldown, with Cartwright & Brice already part to the group when it came to the market in early 1985. The advisers estimate that it is one of the largest players in its rather fragmented industry.

Kleinwort suggested that Cartwright & Brice accounts for around 5 to 6 per cent of the volume of sales through stationery dealers.

Hilldown sold the businesses being sold had total turnover of around £70m in 1988 and operating profits of about £5m. They would be sold largely free of any debt.

Trade creditors have agreed to convert debts of \$13.8m (52 per cent of Rodime's trade debts of \$27.7m) into loans to Rodime to be repaid within a year and \$7.6m by 1994.

Rodime also announced that in the three months to March 31 - its second quarter - it made an after-tax loss of \$21.48m on turnover of \$21.14m.

It made provisions of \$11.96m for restructuring during the quarter.

Sea Containers chief returns to organise fight

By Andrew Hill

Mr James Sherwood, president of Sea Containers, is back in the UK this weekend pondering how to further the ferry and container company's defence against the hostile Anglo-Swedish \$224m (£342m) bid.

He was unavailable to comment yesterday. Sea Containers' public relations department said Mr Sherwood was talking to journalists from Sunday newspapers.

Among the options being considered by Sea Containers are asset sales, a leveraged buy-out of the company, recapitalisation or a "white knight" counter-bid.

Stena, the Swedish ferry group, and Tiphook, a UK container rental company, are jointly offering \$50 in cash for each Sea Containers common share.

They face the dual problems of court restrictions in the US, forbidding them from pursuing their bid, and the fact that Sea Containers shares are still trading at around \$14 above the offer price in New York.

Stena flagship Stearns steadily up-market, page 10

Chrysalis £2.1m in the red after US records loss

By Vanessa Houlder

CHRYSALIS GROUP, the entertainment and leisure company, has fallen into the red with a pre-tax loss of £2.1m for the six months to February 28.

The result, which compares with a pre-tax profit of £2.01m for the six months to October 31 1987, was severely affected by losses in its US record business, Chrysalis Records. This made a loss of £4.2m (1987 \$800,000 loss).

The US losses resulted from a combination of restructuring measures, low sales and exceptionally high levels of returns from dealers, principally of product shipped in previous years.

Mr Chris Wright, chairman, said the dealers' action was triggered by the prospect of changed distribution arrangements. The distribution change resulted in sales of the company held back the launch of new records.

Mr Wright said a similar loss in the US business was likely in the second half. However the company was expected to return to profit in the next financial year.

The UK-based record company, the publishing and machines division reported increased profits but these were offset by losses in the fledgling TV division and from a reduced profits contribution from the audio facilities operations. The Max Headroom project made a small loss.

Chrysalis's share price fell by 8p to 185p. However, the price still represents a large premium over the price of about 100p of stock six months ago. The price has been buoyed by speculation that the com-



Chris Wright similar US loss expected in second half

pany would go private, a stake-building exercise by Mr David Wright, who owns almost half the company, said the resurgence in the share price meant "in terms of going private, I have missed the boat".

Turnover was £55.7m compared with £52.55m in the six months to October 31 1987. The company made a loss per share of 5.2p (1.65p earnings). In view of the results, the company does not intend to pay an interim dividend prior to the Thorn EMI deal. Following completion, it intends to pay a dividend of 2p (1p) per share.

James River bid for Sommerville unconditional

By Ray Bashford

James River Corporation, the US paper company, has received acceptances for 69.1 per cent of the capital in William Sommerville, the Scottish paper group, and the £4.7m bid has been declared unconditional.

The offer, launched last month, had been strongly opposed by IEP Securities, part of the group of companies headed by Sir Ron Brierley, the New Zealand businessman.

Mr Stuart Mitchell, the head of IEP, said last night that the company would not accept the 730p a share offer and intended to increase its 23 per cent stake.

With 25 per cent or more of the capital IEP would be in a position to block special resolutions at extraordinary general meetings.

Brierley companies have held shares in Sommerville for 10 years and has held several rounds of discussions with the board since making the investment.

The New Zealanders claimed that the offer undervalued the company and estimated that net asset backing was closer to 515p a share.

James River won the support of the Sommerville board and relatives of the board who control 56 per cent of the capital for the offer and the offer has attracted acceptances from shareholders with a further 13 per cent.

Sommerville, which is being advised by Noble Grossart, is believed to have held discussions with another potential bidder shortly before the Virginia-based group launched its offer.

Gateway denies 'white knight' moves

By John Riddling

WITH THE £1.87bn leveraged bid from Isoceles for Gateway to move into its final week on Monday, rumours of a rival "white knight" offer continued in the market, writes Nikki Tait. Wasserstein Perella, the US investment bank, and Great Atlantic & Pacific Tea Company (A&P), the fourth largest food retailer in the US, were the favoured names.

That was sufficient to push Gateway's share price up 14p to 212p by the close - 2p above the terms offered by Isoceles.

However, Gateway's advisers were still saying late yesterday that no formal approaches had been received, and that they did not know whether the situation would be clarified over the weekend. In the US, both Wasserstein and A&P were refusing to make any comment on the speculation.

Shares in Asda, the food retailer due to buy for £705m the bulk of the Gateway supermarkets if the Isoceles bid is successful, also rose 10p - the alternative rumour being that

A&P had transferred its interest from Gateway to Asda.

A&P announced earlier this week that it had terminated discussions with Kravis Kohlberg Roberts, the US leveraged buy-out firm, over a possible joint bid for Gateway.

Meanwhile, UBS Securities which has been steadily buying small blocks of shares on behalf of a discretionary client, Junction Advisors, said it purchased a further 650,000 shares on Thursday at 211p, taking the total stake to 1.52 per cent.

Texas oil independent for London market

By Edward Sussman

EXTRACTING speculative capital from Texas these days is probably even more difficult than finding oil below the state's thoroughly probed fields.

To remedy this financial dry-up, Richmond Oil & Gas, a company planning to exploit natural resource interests which it owns in Texas, Colorado, New Mexico and Louisiana, is seeking a full listing in London later this month, through an offer for sale expected to raise about \$20m.

Its stockbroker, Corporate Broking Services, will offer 20m shares, or 31 per cent of the enlarged equity, with the intent of fueling a \$20m (£13m) drilling programme, as well as providing \$5m for acquisitions, \$2.5m for working capital and an unspecified amount for

repaying existing loans.

Richmond owns the rights to about 44,000 acres across several properties, and estimates established oil and gas reserves with a pre-tax net worth of \$81.2m and probable reserves worth \$24.1m. About 90 per cent of reserves are gas.

But so far, only the smallest of the properties, a 275-acre prospect in Duval County, Texas, is producing revenue for Richmond, at a rate of only \$5,000 per month.

Behind Richmond are Mr David Wilkinson, a 41-year-old British stockbroker and the non-executive chairman, and Mr Michael Hogue, a 34-year-old fourth-generation Texas oil man, the chief executive.

It was Mr Wilkinson, a director of Corporate Broking, who established the company two

years ago. Mr Hogue, the largest holder with a 9.23 per cent stake, was largely responsible for assembling Richmond's properties.

As a start-up venture, Richmond is without a track record and the prospectus outlines several risk factors, including currency fluctuation and the possibility of unforeseen drilling problems.

Perhaps most important is the risk of wild fluctuation in the price of oil and gas, the same risk that has claimed dozens of independent Texas producers and dried up traditional financing.

The company is not making predictions about future earnings. Although it says oil may begin flowing as soon as two months after the share sale, it does not plan to pay a dividend

for at least the next two years.

But Mr Hogue, in London for presentations to institutional investors, said Richmond can draw profits from operations too small for the major energy companies to consider.

"Our economics are a little bit different than most of the other players, especially the majors," he said. He is backed by a report from the Scotia Group, a Dallas-based advisory service that evaluated Richmond.

As to whether the issue will appeal to UK investors despite the poor record of many US-based companies which have chosen London for their only quotations, chairman Mr Wilkinson equals Mr Hogue's confidence. "It's just a question of turning the proven reserves into cash," he said.

MBS holders choose to sell core product sales division to buy-out

By John Riddling

A SUN-DRENCHED Berkshire mansion was the incongruous setting for yesterday's meeting of MBS shareholders. Against a backdrop of well-tended lawns and gardens, the personal computer group considered its dramatic decline and voted to dismantle itself.

Once Europe's largest IBM distributor, MBS has fallen heavily into the red. Only by sales division, the major source of losses, can the group's bankers be satisfied.

Yesterday's proposal, put by Mr Owen Williams, chairman and former director of IBM UK, called for the sale of the division through a management buy-out. The funds received from the sale would be used to pay off the group's revolving debt and develop the remaining computer services businesses.

Despite earlier signs of shareholder discontent the motion received overwhelming support and only two hands were raised in opposition.

A lone voice of dissent came from a disgruntled Mr Bennett. "I feel terribly disappointed," he complained. "I bought into the company because it was to be headed by two senior IBM directors and thought it was a marvellous opportunity. But everything seems to have gone wrong. There seems to be a jinx on the company and on the board."

A more subtle indication of discontent was suggested by the presence of a number of institutional investors. The fact that they had missed the Wednesday deadline for proxies indicated that they may have delayed to the last minute in the hope of finding an alternative.

But if yesterday was an occasion for dealing with past disasters, it was also a time for looking to the future.

Immediately after the meeting, Mr Derek Lewis, managing director of Rednew, the management buy-out vehicle, held a meeting to discuss his new company's strategy.

"I don't foresee the need for staff cuts," he said, "and we will turn the business around through improving margins and keeping a close eye on overheads."

These were brave words considering the company lost over \$5m last year and is operating in an infamously competitive and unpredictable market.

As for MBS, it will now comprise the group's remaining services businesses. Mr Jim Thatcher, chief executive, is bullish about the prospects.

All four divisions are ahead of budget and there are promising areas of diversification. Communications will do over \$2m in business this year and engineering contracts are in excess of £12m.

The suspicion remains, however, that the newly-reduced company - with its post-disposal riches and its market quotation - will provide attractive bait.

Should the bait be taken, then MBS will disappear altogether.

MARKET STATISTICS

ECONOMIC DIARY

TODAY: EC external trade commissioner Andriessen visits US for talks on trade issues (Airbus subsidies, telecommunications, etc); opening EC office in San Francisco (until June 18). Mr Gerhard Stoltenberg, West German defence minister, in talks with US officials in Washington (until June 19). Mr Bob Hawke, Australian prime minister, on visit to Paris (until June 20).

TOMORROW: National Savings monthly progress report (May). Greek national elections. Second round of parliamentary elections in Poland. European Parliament elections in Belgium, France, Greece, Italy, Luxembourg, Portugal, and West Germany.

MONDAY: Mr Felipe Gonzalez, Spanish prime minister, meets Mrs Margaret Thatcher for talks at 10 Downing Street. European economic and finance ministers meet in Luxembourg. Start of two-day meeting of the European agriculture ministers in Luxembourg. Beginning of first US-Soviet START negotiations since President George Bush's election. Mr Jacques Delors, European Commission president, on visit to Soviet CBI monthly trends enquiry for June.

TUESDAY: London and Scottish banks monthly statement (May). Provisional estimates of monetary aggregates (May). Gross domestic product (first quarter provisional). Capital expenditure by the manufacturing and service industries. Informal meeting of the European Justice ministers meet in Cartagena, Colombia (until June 25).

WEDNESDAY: National rail strike and a total stoppage on the Tube. New construction orders (April provisional). Mr Patrick Nicholas, employment minister, launches drugs and the workplace guide. Statement by the Commissioner for the Rights of Trade Union Members. Harcourt emerges for auction. Christiana, European Community economic and social council in plenary session in Brussels (until June 22). EC fisheries council meets, Luxembourg. EC industry ministers meet, Luxembourg. US budget statement (May).

THURSDAY: Manufacturers' and distributors' stocks (first quarter revised). US first quarter gross national product and fourth quarter debt, first quarter corporate profits. The London School of Economics. The Mobil Lectures: What Future for Britain in the European Community? by Lord Cockfield.

FRIDAY: Engineering sales and orders at current and constant prices (April). Cyclical indicators for the UK economy (May). Building societies monthly figures (May). US durable goods (May). Personal income. Latin American and Caribbean foreign ministers meet in Cartagena, Colombia (until June 25).

EUROPEAN OPTIONS EXCHANGE

Series	Aug. 89		Nov. 89		Feb. 90		Stock
	Vol	Last	Vol	Last	Vol	Last	
GM C	378	35	90	33	1750	—	3,345.75
Gold C	330	110	310	20	—	—	3,345.75
S&P 500	360	91	5,200	91	7	20	9,50

Series	Jun. 89		Jul. 89		Aug. 89		FL
	Vol	Last	Vol	Last	Vol	Last	
EDF Index C	263	90	14,400	—	—	—	FL 311.51
EDF Index S	270	246	11,400	—	—	—	FL 311.51
EDF Index C	275	90	—	—	—	—	FL 311.51
EDF Index S	280	712	31,400	3	32,500	—	FL 311.51
EDF Index C	285	295	11,400	20	—	—	FL 311.51
EDF Index S	290	647	21,400	9	2	23	FL 311.51
EDF Index C	295	493	16,700	—	—	—	FL 311.51
EDF Index S	300	2641	11,400	274	14	2	FL 311.51
EDF Index C	305	2735	6,700	—	—	—	FL 311.51
EDF Index S	310	1308	1,500	989	7	5	FL 311.51
EDF Index C	315	98	0.10	279	5.30	4	7.70
EDF Index S	320	—	—	—	—	—	FL 311.51
EDF Index C	325	—	—	—	—	—	FL 311.51
EDF Index S	330	—	—	—	—	—	FL 311.51
EDF Index C	335	—	—	—	—	—	FL 311.51
EDF Index S	340	—	—	—	—	—	FL 311.51
EDF Index C	345	—	—	—	—	—	FL 311.51
EDF Index S	350	—	—	—	—	—	FL 311.51
EDF Index C	355	—	—	—	—	—	FL 311.51
EDF Index S	360	—	—	—	—	—	FL 311.51
EDF Index C	365	—	—	—	—	—	FL 311.51
EDF Index S	370	—	—	—	—	—	FL 311.51
EDF Index C	375	—	—	—	—	—	FL 311.51
EDF Index S	380	—	—	—	—	—	FL 311.51
EDF Index C	385	—	—	—	—	—	FL 311.51
EDF Index S	390	—	—	—	—	—	FL 311.51
EDF Index C	395	—	—	—	—	—	FL 311.51
EDF Index S	400	—	—	—	—	—	FL 311.51
EDF Index C	405	—	—	—	—	—	FL 311.51
EDF Index S	410	—	—	—	—	—	FL 311.51
EDF Index C	415	—	—	—	—	—	FL 311.51
EDF Index S	420	—	—	—	—	—	FL 311.51
EDF Index C	425	—	—	—	—	—	FL 311.51
EDF Index S	430	—	—	—	—	—	FL 311.51
EDF Index C	435	—	—	—	—	—	FL 311.51
EDF Index S	440	—	—	—	—	—	FL 311.51
EDF Index C	445	—	—	—	—	—	FL 311.51
EDF Index S	450	—	—	—	—	—	FL 311.51
EDF Index C	455	—	—	—	—	—	FL 311.51
EDF Index S	460	—	—	—	—	—	FL 311.51
EDF Index C	465	—	—	—	—	—	FL 311.51
EDF Index S	470	—	—	—	—	—	FL 311.51
EDF Index C	475	—	—	—	—	—	FL 311.51
EDF Index S	480	—	—	—	—	—	FL 311.51
EDF Index C	485	—	—	—	—	—	FL 311.51
EDF Index S	490	—	—	—	—	—	FL 311.51
EDF Index C	495	—	—	—	—	—	FL 311.51
EDF Index S	500	—	—	—	—	—	FL 311.51

Series	Jul. 89		Oct. 89		Jan. 90		FL
	Vol	Last	Vol	Last	Vol	Last	
ABX C	187	0.40	226	1.10	187	2	FL 42.80
ABX S	192	1.20	226	3.50	—	—	FL 42.80
Alcoa C	125	88	280	23	—	—	FL 121.50
Alcoa S	130	88	280	23	—	—	FL 121.50
Alum C	150	146	910	512	430	11	5.50
Alum S	155	146	910	512	430	11	5.50
Amco C	50	692	0.70	363	—	—	FL 33.30
Amco S	55	692	0.70	363	—	—	FL 33.30
Asarco C	85	217	1.10	2,400	10	6	FL 83.30
Asarco S	90	217	1.10	2,400	10	6	FL 83.30
BHP C	100	111	0.40	1,400	10	10	FL 139.50
BHP S	105	111	0.40	1,400	10	10	FL 139.50
Chalco C	120	122	0.40	1,400	10	10	FL 139.50
Chalco S	125	122	0.40	1,400	10	10	FL 139.50
Freeport C	130	699	6.50	413	9.70	22	11.70
Freeport S	135	699	6.50	413	9.70	22	11.70
Hecla C	110	69	1	323	7	3	FL 117.70
Hecla S	115	69	1	323	7	3	FL 117.70
IMC C	120	81	1.80	3.50	7.50	7	FL 65.30
IMC S	125	81	1.80	3.50	7.50	7	FL 65.30
LYD C	130	294	1.40	127	7.40	21	FL 67.70
LYD S	135	294	1.40	127	7.40	21	FL 67.70
Met. Ind. C	140	111	0.40	1,400	10	10	FL 65.40
Met. Ind. S	145	111	0.40	1,400	10	10	FL 65.40
Phelps C	150	182	0.80	1,040	231	3.60	FL 38.40
Phelps S	155	182	0.80	1,040	231	3.60	FL 38.40
Placer C	160	182	0.80	1,040	231	3.60	FL 38.40
Placer S	165	182	0.80	1,040	231	3.60	FL 38.40
Rawl C	170	400	2.40	38	5	14	FL 138.10
Rawl S	175	400	2.40	38	5	14	FL 138.10
Union C	180	135	0.50	2,200	41	8.30	FL 138.10
Union S	185	135	0.50	2,200	41	8.30	FL 138.10
Wolverine C	190	873	1.50	50	3.70	10	FL 141.30
Wolverine S	195	873	1.50	50	3.70	10	FL 141.30
Yankee C	200	—	—	—	—	—	FL 49.30
Yankee S	205	—	—	—	—	—	FL 49.30

BANK RETURN

LIABILITIES	Wednesday June 14, 1989		Increase or decrease for week
	£	£	
Capital	14,523,000	—	—
Public Deposits	116,254,488	+	7,323,528
Bankers Deposits	1,381,313,185	+	11,587,818
Reserve and other Accounts	2,344,181,051	+	270,889,871
	3,796,261,724	+	289,821,217
ASSETS			
Government Securities	1,281,316,529	+	287,410,000
Advances and other Accounts	781,803,948	+	101,638,008
Premises Equipment & other Secs	1,714,228,445	+	98,571,474
Other	6,882,122	+	4,487,876
Gold	247,875	+	11,078
	3,796,261,724	+	289,821,217
ISSUE DEPARTMENT			
LIABILITIES			
Notes in circulation	14,841,477,873	+	5,532,234
Notes in Banking Department	8,582,127	+	4,487,876
	14,850,000,000	+	10,000,000
ASSETS			
Government Debt	11,015,100	—	—
Other Government Securities	14,508,833,134	+	418,432,612
Other Securities	132,141,786	+	408,432,612
	14,650,000,000	+	10,000,000

TOTAL VOLUME IN CONTRACTS: 71,703

A=Ask B=Bid C=Call P=Put

BASE LENDING RATES

Bank	%	Bank	%	Bank	%
ABN Bank	14	Chonokale Bank	14	MetWestminster	14
Adm & Company	14	Chem. Bk. R. East	14	Northern Bank Ltd	14
AAO - Allied Arab Bk	14	Co-operative Bank	14	Norwich Gen. Trust	14
Allied Irish Bank	14	Credit & Co	14	Pariva/Pariva London	14
Alfred Kuehner	14	Cyprus Popular Bk	14	Pariva/Pariva London	14
Amalgamated Bank	14	Dubai Bank P.L.C.	14	R. Bapuji & Sons	14
Amsterdamsche Bank	14	Dunlop Lamin	14	Randolph Franks	14
Bank of America	14	Equatorial Bank plc	14	Royal Bk of Scotland	14
Bank of Australia	14	Exeter Trust Ltd	14	Reyn Trust Bank	14
Bank of Canada	14	First National Bank	14	Robt & Williams Secs.	14
Bank of China	14	First National Bank Pk	14	Standard Chartered	14
Bank of India	14	Foreign & Gen. Bank	14	TSB	14
Bank of Japan	14	Fraser & Neave	14	Union Bank of India	14
Bank of Korea	14	Fraser & Neave	14	United World Bank	14
Bank of London	14	Fraser & Neave	14	Western Trust	14
Bank of Mexico	14	Fraser & Neave	14	Western Bank Corp.	14
Bank of New York	14	Fraser & Neave	14	Whitehead Walker	14
Bank of Oman	14	Fraser & Neave	14	Yorkshire Bank	14
Bank of Paris	14	Fraser & Neave	14		
Bank of Portugal	14	Fraser & Neave	14		
Bank of Rome	14	Fraser & Neave	14		
Bank of Spain	14	Fraser & Neave	14		
Bank of Sweden	14	Fraser & Neave	14		
Bank of Switzerland	14	Fraser & Neave	14		
Bank of the Netherlands	14	Fraser & Neave	14		
Bank of the Philippines	14	Fraser & Neave	14		
Bank of the Virgin Islands	14	Fraser & Neave	14		
Bank of Tokyo	14	Fraser & Neave	14		
Bank of the West	14	Fraser & Neave	14		
Bank of the World	14	Fraser & Neave	14		
Bank of the Middle East	14	Fraser & Neave	14		
Bank of the Pacific	14	Fraser & Neave	14		
Bank of the South	14	Fraser & Neave	14		
Bank of the East	14	Fraser & Neave	14		
Bank of the West	14	Fraser & Neave	14		
Bank of the North	14	Fraser & Neave	14		
Bank of the South	14	Fraser & Neave	14		
Bank of the East	14	Fraser & Neave	14		
Bank of the West	14	Fraser & Neave	14		
Bank of the North	14	Fraser & Neave	14		
Bank of the South	14	Fraser & Neave	14		
Bank of the East	14	Fraser & Neave	14		
Bank of the West	14	Fraser & Neave	14		
Bank of the North	14	Fraser & Neave	14		
Bank of the South	14	Fraser & Neave	14		
Bank of the East	14	Fraser & Neave	14		
Bank of the West					

INTERNATIONAL COMPANIES AND FINANCE

China abandons purchase of NZ steelmaker

By Andrew Pirie in Wellington

THE CHINESE Government has abandoned the purchase of New Zealand Steel, the country's largest steel mill, just a fortnight before the deal was due for settlement.

The sale, seen as a symbol of a closer trading relationship between the two countries, had been in question since the Peking student massacres. Mr David Lange, New Zealand Prime Minister, had forecast the sale would not proceed but denied recently that any political pressure would be brought to bear.

The deal had already received the approval of New Zealand regulatory bodies. Although the Chinese maintained they had the available funding, international bankers have reported a reluctance to participate in a proposed US\$400m bridging loan to help finance the purchase because of the political upheaval.

Mr Fred Watson, the government-appointed manager of Equitcorp, the collapsed investment group which owns 80 per cent of NZ Steel, said yesterday that he had learnt by letter on Thursday that Minmetals, the Chinese state corporation involved in the purchase, was cancelling the deal.

"Until we received that letter we were confident the deal would proceed, despite what

was being said in the media," he said.

Under terms of the conditional sale, the contract has been formally terminated by mutual agreement and without penalty. The price Minmetals had agreed to pay has never been disclosed, but it is believed to have been more than NZ\$400m (US\$225.7m), bettering rival bidders by a substantial margin.

The steelmaker will be put up for tender again by the Equitcorp managers. Also on the block will be the remaining 20 per cent owned by Fisher and Faykel, the white goods maker, which had also contracted to sell to the Chinese.

Unsuccessful bidders in the first tender which are likely to include Australia and a consortium of Antipodean companies, including Brierley Investments, Fletcher Challenge, CRA and Elders Resources.

A Fletcher official said his company would be taking "a further and different look" at NZ Steel, although again on a partnership basis.

The collapse of the sale will not significantly affect the financial position of Equitcorp investors and creditors, as the NZ Steel stake was fully pledged to main lenders.

HK authorities to close share loophole

By Michael Murray in Hong Kong

THE Hong Kong Stock Exchange and the colony's new Securities and Futures Commission, noted that a mission watchdog body have moved to close a loophole through which local companies with their legal domicile overseas have been able to buy their own shares, a practice outlawed in Hong Kong.

The new rule, which came into effect after yesterday's close of trading on the stock market, has been prompted by an exodus of Hong Kong companies relocating overseas, with about 20 making the move so far this year.

Mr Francis Yuen, chief executive of the stock exchange, said: "We are trying to stop possible abuses in buy-backs of shares as there are so many companies incorporated in places such as Bermuda and the Cayman Islands." He added that permission would still be given in future where there were special circumstances.

Mr Robert Owen, chairman of the Securities and Futures Commission, noted that a study of possible reform of Hong Kong company law relating to share buy-backs had been done in 1987, but that there was still no clear indication as to whether it would eventually be legislated.

This would, in any case, not happen until better safeguards inherent in allowing companies to buy their own shares included market manipulation, insider dealing and the staving off of hostile takeovers to the detriment of other shareholders, particularly where companies are closely held by families, as was often the case in Hong Kong.

Walk-out at Spanish bank after board row

By Tom Burns in Madrid

A BOARDROOM battle that has riddled Banco Central, Spain's second biggest private bank, took a new twist yesterday when five representatives of the bank's single largest shareholder resigned from the board on the eve of the institution's annual shareholders' meeting.

The representatives of Cartera Central, which holds 12.5 per cent of the bank's shares and which is run by the "Albertos", Madrid real estate tycoon Mr Alberto Escamez and Mr Alberto Cortina, announced their resignation in a letter to Mr Alfonso Escamez, Banco Central's chairman, yesterday.

It is understood the move followed a heated meeting on Thursday during which Mr Escamez had refused a demand by Cartera Central to have more representatives on the board and a greater say in the bank's running.

The confrontation and the subsequent resignation of the five board members included Mr Escamez and Mr Cortina, comes against a backdrop of severe and sustained criticism by them of Mr Escamez's chairmanship.

There was strong criticism a year ago when Banco Central announced it would merge with Banco Espanol de Credito. Mr Escamez was only able to buy a measure of peace by allowing Cartera Central a five-strong presence on the board.

However, opposition by Cartera Central to the veteran bank chairman gathered fresh steam earlier this year when merger talks with Banesto, another big Spanish bank, collapsed.

Mr Escamez claims to be confident that when the bank holds its meeting today he will have the support of widely spread small shareholders.

Australian SE bars buy-back

By Our Financial Staff

THE AUSTRALIAN Stock Exchange has refused to waive its rules on share buy-backs to allow UK-incorporated AFP Group to buy 18 per cent of its stock back from Elders IXL, Reuter reports from Sydney.

The AFP plan was to repurchase 110m of its shares from Elders at A\$1.25. Elders executives, in turn, plan to buy 18 per cent of their company currently held in a joint venture between AFP and Goodman Fielder Wattie.

AFP said it was studying ways to proceed, possibly by splitting the stake into smaller parcels.

Stena flagship steams steadily up-market

Andrew Hill on the Swedish shipping group involved in the bid for Sea Containers

Mr Dan Sten Olsson found it very difficult to float his ferries last year.

The problem was not one of buoyancy, but of emotion. As chief executive of the family-owned Swedish group Stena, Mr Olsson felt attached to the ferry service, 50 per cent of which was eventually sold through the Stockholm stock market.

Control of Stena Line remains in the hands of the parent company, which has 75 per cent of the votes, and Mr Olsson - only the second Olsson to head Stena since his father founded the private company 50 years ago - has lost none of his enthusiasm for the ferry business.

Last month Stena linked with Tiphook, the quoted UK registered group's container in an \$824m bid for Sea Containers, which is headed by another entrepreneur, Mr James Sherwood.

If the deal goes through, Tiphook will get the Bermuda-registered group's container in an \$824m bid for Sea Containers, which is headed by another entrepreneur, Mr James Sherwood.

But for Sea Containers' shareholders - including an influential clutch of New York arbitrageurs - the Stena broadside might just as well have been fired from out of a cannon. The Swedish group's operations largely in and around Sweden, and its other activities are little known outside the shipping industry.

Stena began as a metal trading and recycling business,



Dan Sten Olsson: retains enthusiasm for ferry business

which is now a separate private holding company - Stena Metall. It bought its first ferry in 1962 and shortly afterwards started Stena Line, which buys or sells at least two car and passenger vessels a month. Since then the group has added an offshore oil support operation working out of Aberdeen, Stena Bulk, which owns a fleet of oil tankers, and finance and property subsidiaries.

In spite of last year's hiccup at the UK offshore business - which lost \$28.4m because of exceptional depreciation charges - Stena expects its overall pre-tax profits to top \$25m (\$22.5m) in the 18 months to the end of 1989, while Stena Line should make about \$28m in 1989-90.

At the moment it seems likely the 50 per cent share offer for Sea Containers will be increased to nearer the New York market price of \$65. Swedish analysts are in little doubt that Stena is capable of funding its share of a higher offer.

mark and West Germany, has changed.

Mr Lars-Erik Ottosson, Stena Line's president and chief executive, says: "We started calling passengers guests, and we call the ferries cruise-vessels, rather than transport-vessels."

Stena Line, like other Scandinavian operators, has found there is strong demand for mini-cruises, lasting 24 or 36 hours in regularly refurbished or renewed vessels. Cruises now account for about 45 per cent of the ferries' business.

It has also moved into the lucrative cruise sector. Mr Ottosson says the group is able to charge business customers significantly more than its counterparts on terra firma, and bring into play its four strategically-placed hotels around the Baltic.

Holiday-makers fill the hotels in the peak season; conference customers take up the slack. As at Sealink, only about 40 per cent of ferry revenue comes from ordinary passenger fares, with the balance supplied by restaurants, bars, tax-free shopping areas and freight.

The difference is that high-margin conference business comes from ordinary passenger fares, with the balance supplied by restaurants, bars, tax-free shopping areas and freight.

In a separate announcement Mr Pearson said he was resigning because of the insider trading provision in the Securities Amendment Act, which comes into force next month.

He stressed that this would make it impossible for him to continue both as chairman of BNZ and investment manager for Colonial Mutual Life, a competing financial institution.

possible strategy on the Channel routes by referring to the group's Baltic activities could be misleading.

In Sweden, Stena Line has a captive market of 8.4m people, 1m to 2m of whom live on the west coast. The ferry service estimates almost all its passengers have travelled with the line before. Customer loyalty is undoubtedly strong, but it is untested by serious competition on routes originating in Sweden as Stena Line has bought out ailing rivals.

Stena Line may also be less inclined to run a full-blooded cruise service on shorter crossings. The group recently bought loss-making Lion Ferries, which plies the shorter routes between Sweden and Denmark, and returned it to profit.

But the service is run primarily as a transport line, with fewer frills than on Stena's larger overnight vessels.

And Stena Line was looking closely at Mr Sherwood's own near-fatal failure when he tried to introduce a luxury ferry service on the Channel Islands crossing. That led to redundancies and financial difficulties for the whole Sea Containers group.

Court order or no court order, the line's Channel strategy will soon be clearer. The company has just bought the stake in Stoomvaart Maatschappij Zeeland (SMZ) and wants to upgrade the group's service on the Hook of Holland to Harwich route.

Comparisons are inevitable: SMZ partner on the crossing is Sealink.

Foreign expansion keeps Japan's city banks ahead

By Our Financial Staff

JAPAN'S BIGGEST "city" or commercial banks, which also rank as the world's largest, continue to profit from their expansion abroad but their global earnings fell according to annual results released in Tokyo yesterday, is not always keeping pace with growth in their mainline domestic activities.

The Daiichi Kangyo Bank, the industry leader by assets, recorded a 31.5 per cent rise in consolidated net profits for the year to March to reach Y198bn (\$1.37bn). Although the figure represents a handsome improvement on the Y176.2bn recorded previously reported for the parent company alone, the rate of increase for the parent was higher at 34.9 per cent. This was in spite of a squeeze on domestic margins.

The inclusion of overseas assets and liabilities in consolidated made less of a difference at

BNZ chairman to resign after five months

By Terry Hall in Wellington

MR FRANK PEARSON is to resign as chairman of Bank of New Zealand after next month's annual meeting, only five months after he was appointed by the Government to head the financially troubled bank.

Mr Pearson undertook an overhaul of the bank's balance sheet and aroused controversy when he determined to reveal BNZ's deep financial problems in detail.

He stressed that this would make it impossible for him to continue both as chairman of BNZ and investment manager for Colonial Mutual Life, a competing financial institution.

Pan Am finds \$200m more equity to bolster NWA bid

By Karen Zagor in New York

PAN AM said yesterday it had increased by \$200m to \$800m the equity portion of its bid, believed to be worth about \$9.2bn, for NWA, parent of Northwest Airlines.

The new equity is from Corporate Partners, an investment fund organised by Lazard Freres, the investment bank. Earlier this year the fund helped Polaroid, the photographic giant, defeat a hostile takeover offer.

Mr Marvin Davis, the Los Angeles investor, said he had raised "his offer" for NWA. Terms of the revised offer were not disclosed.

Foreign expansion keeps Japan's city banks ahead

By Our Financial Staff

JAPAN'S BIGGEST "city" or commercial banks, which also rank as the world's largest, continue to profit from their expansion abroad but their global earnings fell according to annual results released in Tokyo yesterday, is not always keeping pace with growth in their mainline domestic activities.

The Daiichi Kangyo Bank, the industry leader by assets, recorded a 31.5 per cent rise in consolidated net profits for the year to March to reach Y198bn (\$1.37bn). Although the figure represents a handsome improvement on the Y176.2bn recorded previously reported for the parent company alone, the rate of increase for the parent was higher at 34.9 per cent. This was in spite of a squeeze on domestic margins.

The inclusion of overseas assets and liabilities in consolidated made less of a difference at

WORLD COMMODITIES PRICES

Table with columns: WEEKLY PRICE CHANGES, Latest prices, Change on week ago, Year High, Low. Includes items like Silver per troy oz, Aluminum 99.7% (cash), Copper Grade A (cash), Lead (cash), Nickel (cash), Zinc (cash), Tin (cash), Cocoa Futures (Sep), Coffee Futures (Sep), Sugar (LDP Raw), Marley Futures (Nov), Wheat Futures (Sep), Cotton Outlook A Index, Wool (64 Super), Rubber (Spot), Oil (Brent Blend).

Table with columns: LONDON METAL EXCHANGE, Close, Previous, High/Low, AM Official, Karo close, Open Interest. Includes Aluminum 99.7% purity (5 per tonne), Cash, 3 months, Copper, Grade A (5 per tonne), Cash, 3 months, Lead (5 per tonne), Cash, 3 months, Nickel (5 per tonne), Cash, 3 months, Tin (5 per tonne), Cash, 3 months, Zinc (5 per tonne), Cash, 3 months.

Table with columns: LONDON BULLION MARKET, Gold (fine oz) \$ price, £ equivalent, Silver (fine oz) \$ price, £ equivalent. Includes Gold (fine oz) \$ price, Silver (fine oz) \$ price.

Table with columns: SOYABEAN MEAL \$/tonne, Close, Previous, High/Low. Includes Soyabean Meal \$/tonne, Soyabean Meal \$/tonne.

Table with columns: COPPER 25,000 lbs cent/lb, Close, Previous, High/Low. Includes Copper 25,000 lbs cent/lb, Copper 25,000 lbs cent/lb.

Table with columns: SOYABEAN 5,000 bu min cent/bu bushel, Close, Previous, High/Low. Includes Soyabean 5,000 bu min cent/bu bushel, Soyabean 5,000 bu min cent/bu bushel.

Table with columns: SOYABEAN 10,000 bu min cent/bu bushel, Close, Previous, High/Low. Includes Soyabean 10,000 bu min cent/bu bushel, Soyabean 10,000 bu min cent/bu bushel.

Table with columns: SPOT MARKETS, Close, Previous, High/Low. Includes Crude oil (per barrel FOB), Dual, Brent Blend, WTI (1 pm est), Oil products, Premium Gasoline, Gas Oil, Heavy Fuel Oil, Naptha, Petroleum Argus Estimates.

Table with columns: SOYABEAN MEAL \$/tonne, Close, Previous, High/Low. Includes Soyabean Meal \$/tonne, Soyabean Meal \$/tonne.

Table with columns: POTATOES \$/tonne, Close, Previous, High/Low. Includes Potatoes \$/tonne, Potatoes \$/tonne.

Table with columns: LONDON BULLION MARKET, Gold (fine oz) \$ price, £ equivalent, Silver (fine oz) \$ price, £ equivalent. Includes Gold (fine oz) \$ price, Silver (fine oz) \$ price.

Table with columns: SOYABEAN MEAL \$/tonne, Close, Previous, High/Low. Includes Soyabean Meal \$/tonne, Soyabean Meal \$/tonne.

Table with columns: COPPER 25,000 lbs cent/lb, Close, Previous, High/Low. Includes Copper 25,000 lbs cent/lb, Copper 25,000 lbs cent/lb.

Table with columns: SOYABEAN 5,000 bu min cent/bu bushel, Close, Previous, High/Low. Includes Soyabean 5,000 bu min cent/bu bushel, Soyabean 5,000 bu min cent/bu bushel.

Table with columns: SOYABEAN 10,000 bu min cent/bu bushel, Close, Previous, High/Low. Includes Soyabean 10,000 bu min cent/bu bushel, Soyabean 10,000 bu min cent/bu bushel.

Table with columns: RUBBER (Latex) \$/tonne, Close, Previous, High/Low. Includes Rubber (Latex) \$/tonne, Rubber (Latex) \$/tonne.

Table with columns: SOYABEAN MEAL \$/tonne, Close, Previous, High/Low. Includes Soyabean Meal \$/tonne, Soyabean Meal \$/tonne.

Table with columns: POTATOES \$/tonne, Close, Previous, High/Low. Includes Potatoes \$/tonne, Potatoes \$/tonne.

Table with columns: LONDON BULLION MARKET, Gold (fine oz) \$ price, £ equivalent, Silver (fine oz) \$ price, £ equivalent. Includes Gold (fine oz) \$ price, Silver (fine oz) \$ price.

Table with columns: SOYABEAN MEAL \$/tonne, Close, Previous, High/Low. Includes Soyabean Meal \$/tonne, Soyabean Meal \$/tonne.

Table with columns: COPPER 25,000 lbs cent/lb, Close, Previous, High/Low. Includes Copper 25,000 lbs cent/lb, Copper 25,000 lbs cent/lb.

Table with columns: SOYABEAN 5,000 bu min cent/bu bushel, Close, Previous, High/Low. Includes Soyabean 5,000 bu min cent/bu bushel, Soyabean 5,000 bu min cent/bu bushel.

Table with columns: SOYABEAN 10,000 bu min cent/bu bushel, Close, Previous, High/Low. Includes Soyabean 10,000 bu min cent/bu bushel, Soyabean 10,000 bu min cent/bu bushel.

Table with columns: CRUDE OIL \$/barrel, Close, Previous, High/Low. Includes Crude oil \$/barrel, Crude oil \$/barrel.

Table with columns: SOYABEAN MEAL \$/tonne, Close, Previous, High/Low. Includes Soyabean Meal \$/tonne, Soyabean Meal \$/tonne.

Table with columns: POTATOES \$/tonne, Close, Previous, High/Low. Includes Potatoes \$/tonne, Potatoes \$/tonne.

Table with columns: LONDON BULLION MARKET, Gold (fine oz) \$ price, £ equivalent, Silver (fine oz) \$ price, £ equivalent. Includes Gold (fine oz) \$ price, Silver (fine oz) \$ price.

Table with columns: SOYABEAN MEAL \$/tonne, Close, Previous, High/Low. Includes Soyabean Meal \$/tonne, Soyabean Meal \$/tonne.

Table with columns: COPPER 25,000 lbs cent/lb, Close, Previous, High/Low. Includes Copper 25,000 lbs cent/lb, Copper 25,000 lbs cent/lb.

Table with columns: SOYABEAN 5,000 bu min cent/bu bushel, Close, Previous, High/Low. Includes Soyabean 5,000 bu min cent/bu bushel, Soyabean 5,000 bu min cent/bu bushel.

Table with columns: SOYABEAN 10,000 bu min cent/bu bushel, Close, Previous, High/Low. Includes Soyabean 10,000 bu min cent/bu bushel, Soyabean 10,000 bu min cent/bu bushel.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar weak but above lows

THE DOLLAR recovered in London from the lows touched on Thursday in New York but failed to hang on to all of the day's gains, and finished showing sharp losses from Thursday in London. In a day of some volatility, where covering positions took precedence, the dollar lacked any real direction.

DM2.0090 before slipping back to close at DM1.9935, down from DM2.0240. It was also weaker against the yen at Y145.50 from Y149.50. Elsewhere, it closed at SF1.7200 from SF1.7475 and FF6.7625 against FF6.9675. On Bank of England figures, the dollar's exchange rate index fell from 74.1 to 73.8.

Sterling finished higher on the day and up from the close on Thursday. Its exchange rate index closed at 90.8, down slightly from 91.0 at the start but up from 90.5 last night. UK retail prices in May rose by 0.6 per cent to give a year-on-year rise of 4.3 per cent, up from 4.0 per cent in April. The rise was much in line with expectations and came in the wake of acceptable data, at least in the market's view, on average earnings which left investors with mixed feelings about the pound.

On the one hand, there appears to be less chance of an

early rise in base rates because recent economic figures were not, on balance, as bad as had been feared. Some investors were willing to close out positions that rates would be pushed higher. However, the mild encouragement given to the UK's economic outlook has provided some underlying strength for the pound.

The pound rose against the dollar to £1.5340 from £1.5185 but fell in D-Mark terms to DM3.0575 from DM3.0725. It was also lower against the yen at Y228.35 from Y227.25. Elsewhere, it closed at SF2.5275 from SF2.5525 and FF10.8750 from FF10.8750 compared with FF10.4275.

The D-Mark was unchanged against the French franc, closing at FF73.3940. But many traders feel that the franc may still be vulnerable. Interest rates in Paris remain firm as the market awaits inflation data for May due next Tuesday.

IN NEW YORK

Table with columns: Term, Rate, Bid, Ask, Price. Rows include 1 month, 3 months, 6 months, 12 months.

STERLING INDEX

Table with columns: Index, Bid, Ask, Price. Rows include Sterling, US Dollar, Japanese Yen, etc.

CURRENCY RATES

Table with columns: Currency, Bid, Ask, Price. Rows include US Dollar, Japanese Yen, Swiss Franc, etc.

CURRENCY MOVEMENTS

Table with columns: Currency, Bid, Ask, Price. Rows include Sterling, US Dollar, Japanese Yen, etc.

OTHER CURRENCIES

Table with columns: Currency, Bid, Ask, Price. Rows include Australian Dollar, Canadian Dollar, etc.

FORWARD RATES

Table with columns: Currency, Bid, Ask, Price. Rows include Sterling, US Dollar, Japanese Yen, etc.

MONEY MARKETS

UK rates lower

UK INTEREST rates were marked down yesterday as UK data on inflation failed to trigger a rise in base rates. Three-month interbank money opened lower at 14 1/4-1/8 per cent and eased further to finish at 14 1/4-1/8.

UK clearing bank base lending rate

14 per cent from May 24

UK clearing bank base lending rate

14 per cent from May 24

UK clearing bank base lending rate

14 per cent from May 24

UK clearing bank base lending rate

14 per cent from May 24

UK clearing bank base lending rate

14 per cent from May 24

UK clearing bank base lending rate

14 per cent from May 24

UK clearing bank base lending rate

14 per cent from May 24

UK clearing bank base lending rate

14 per cent from May 24

UK clearing bank base lending rate

14 per cent from May 24

UK clearing bank base lending rate

14 per cent from May 24

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Table with columns: Currency, Bid, Ask, Price. Rows include US Dollar, Japanese Yen, Swiss Franc, etc.

POUND SPOT - FORWARD AGAINST THE POUND

Table with columns: Currency, Bid, Ask, Price. Rows include US Dollar, Japanese Yen, Swiss Franc, etc.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Currency, Bid, Ask, Price. Rows include German Mark, French Franc, etc.

EURO-CURRENCY INTEREST RATES

Table with columns: Currency, Bid, Ask, Price. Rows include Sterling, US Dollar, Japanese Yen, etc.

EXCHANGE CROSS RATES

Table with columns: Currency, Bid, Ask, Price. Rows include US Dollar, Japanese Yen, Swiss Franc, etc.

FT LONDON INTERBANK FIXING

Table with columns: Currency, Bid, Ask, Price. Rows include Sterling, US Dollar, Japanese Yen, etc.

MONEY RATES

Table with columns: Currency, Bid, Ask, Price. Rows include Sterling, US Dollar, Japanese Yen, etc.

LONDON MONEY RATES

Table with columns: Currency, Bid, Ask, Price. Rows include Sterling, US Dollar, Japanese Yen, etc.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LETT US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Price. Rows include various strike prices.

LONDON RECENT ISSUES

EQUITIES

Table with columns: Issue, Price, Bid, Ask, Price. Rows include various equity issues.

FIXED INTEREST STOCKS

Table with columns: Issue, Price, Bid, Ask, Price. Rows include various fixed interest stocks.

RIGHTS OFFERS

Table with columns: Issue, Price, Bid, Ask, Price. Rows include various rights offers.

DIVIDENDS ANNOUNCED

Table with columns: Company, Dividend, Date, Price. Rows include various dividend announcements.

TRADITIONAL OPTIONS

Table with columns: Issue, Price, Bid, Ask, Price. Rows include various traditional options.

FT GUIDE TO WORLD CURRENCIES

Every Tuesday in the FT

LONDON TRADED OPTIONS

Table with columns: Issue, Price, Bid, Ask, Price. Rows include various London traded options.

GRANVILLE SPONSORED SECURITIES

Table with columns: Issue, Price, Bid, Ask, Price. Rows include various sponsored securities.

THE LEAS

£200,000 Floating Rate Notes Due 1996

Interest Rate: 14.4375%

Interest Period: 16 June, 1989 to 18 September, 1989

Interest Amount per £10,000 Note due 18 September, 1989: £371.82

Interest Amount per £100,000 Note due 18 September, 1989: £3,718.15

Agent: Bank Baring Brothers & Co., Limited

IG INDEX LTD, 9-11 GROSVENOR GARDENS, LONDON SW1W 0BD

Telephone 01-828 7233/56-99 An AFB member Reuters Code: IG1N, IG10

FT 30 FTSE 100 FTSE 250 FTSE 1000

Jun. 17/77/77 +18 Jun. 23/82/2148 +20 Jul. 24/86/2498 N/C

Sep. 18/85/1814 +22 Sep. 21/84/2194 +24 Sep. 25/86/2518 +3

Prices taken at 5pm and change is from previous close at 9pm

WORLD STOCK MARKETS

AMERICA

Triple witching hour inspires spirited trade

Wall Street

THE STABILISING dollar helped the equity market to regain its poise yesterday morning, in spite of poor consumer price figures which caused further losses in the bond market, writes Anatole Katsky in New York.

The Dow Jones Industrial Average, which opened about 5 points weaker, recovered quickly after a burst of extremely heavy trading related to the "triple witching hour" expiry of stock index futures and options. By 1.30 pm the Dow stood 1.87 points up at 2,476.87 and all of the wider stock indices had also stabilised in narrow margins around their closing levels on Thursday night.

Volume on the New York Stock Exchange was very heavy, with 171m shares traded by lunchtime. But most of the volume related to triple witching hour programmes, with a near-record 110m shares changing hands in the first hour of trading.

The stock market shrugged off the further falls in bond prices which followed the release of May's consumer price index. The CPI rose by 0.6 per cent, somewhat higher than the 0.5 per cent advance estimated by most Wall Street economists and gave a picture of inflation spreading more widely across the whole economy than had been suggested by the producer price index published a week before.

The bond market fell initially by as much as 1/8 point, but its distress was somewhat

allayed later in the morning, with the publication of weaker than expected figures on housing starts and personal incomes. The strength of the dollar helped to limit losses in the bond market. By lunchtime the Treasury's benchmark long bond was trading 1/8 down at 106.

The main event in the stock market, apart from the triple witching hour, was Time's long-awaited response to the takeover bid from Paramount Communications. Time said that it would pay \$70 a share in cash for Warner Communications, the company with which it had negotiated an agreed stock-swap merger before Paramount entered the fray.

While the audacious \$15bn bid for Warner was seen by arbitrageurs as only an opening salvo in a long three-way

battle, it clearly increased the risks for Time shareholders who had been hoping to cash in on the \$175 a share bid announced by Paramount. As a result Time's shares plunged \$5% to \$165%, while Warner's jumped \$3% to \$58%. Paramount fell 1/4 to \$87%.

Two other entertainment stocks, MCA and Disney, were also actively traded after reports in Business Week about possible merger talks. MCA jumped 1/8 to \$59% and Disney fell 1/8 to \$87%.

Press reports also affected trading in Sun Microsystems, which fell 1/4 to \$17% after the Wall Street Journal linked the resignation of its chief financial officer with market speculation about the rapidly growing company's weak management systems.

A.H. Robins, the bankrupt pharmaceutical group which is being taken over by American Home Products, jumped 3/4 to \$29% after a court gave final approval to the reorganisation and merger plans. AHP advanced 1/4 to \$33%.

Canada

PRICES were flat at mid-session in Toronto in spite of active trading. The composite index slipped 3.0 to 3,734.3, as declines outnumbered advances 252 to 207 on volume of 15m shares.

Top actives included Nova Corp, unchanged at \$310, Laidlaw, unchanged at \$317, and Canadian Pacific, up 1/4 at \$523.

Europeans challenge the capital place for business

FIRST, the question: is London a key centre in global financial markets or, more specifically in this instance, in equity markets, or does it risk becoming an over-regulated and expensive backwater, albeit within a convenient time zone?

The answer depends on definitions, often inaccurate figures and, therefore, a fair measure of guessimates.

There are certainly niche areas in London: most syndication, or packaging, of Euro-bonds is done in and through the UK capital. Excluding the Swiss franc foreign bond market - and Swiss law looks well after its own - some three-quarters of new Euromarket issues take place in London.

The situation is equally clear on domestic equities: Tokyo, Osaka and New York are today the market leaders measured by capitalisation, leaving London a rather poor fourth.

But it is a very different story when it comes to international equities, that is trading in equities in a country other than that in which the company is incorporated. In international equities, London leads the global field.

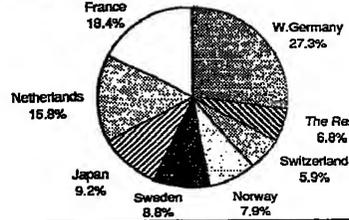
The best estimate - and it is just that, even using the details of cross-border capital flows - is that foreign equity turnover in and through London is running at some \$40bn annually. On bad days for domestic equities, international business transacted through London can equal more than half that in local equities; more generally it is about one-third.

Some of the figures remain suspect, and certainly understated. There are about 700 overseas stocks quoted in London on Seaq International. Around 300 of these have firm quotes provided by competing market makers; the majority show indicative quotes, and many trade infrequently.

An unknown volume of business is executed off the exchange. Estimates on this

SEAG International trade values

January - April 1989



variously, inevitably under existing regulations, but it could be as much as 40 per cent.

But the world is changing. Two weeks from next Monday (July 3 to be exact) member firms of the International Stock Exchange will be obliged to report all transactions, and that is expected to take care of some 90 per cent of total business; the remainder, and it could be less than 10 per cent, represents business transacted by non-ISE members, including some foreign banks with London offices.

The chart shows which countries' stocks see the most business, on the basis of trades in the first four months of this year. The pattern for last month changes somewhat, with German business slipping by some 3 percentage points, switching almost entirely to France and, to a fractional extent, to the Netherlands.

Trade values for Japanese companies remain relatively static at a little under 10 per cent of total business, almost identical with the Japanese share of all international equities quoted on Seaq.

The obvious questions then are: why is this German, French, Dutch and Japanese business being executed in London and not in its respective national markets, and will it last? The size of the London market and its related liquidity must be part of the answer, equally important, but almost certainly much less so in the future, as more and more countries stand back from an almost standing start. As the chart shows, roughly three-fifths of London's business in international equities stems from just three countries; France, Germany and the Netherlands have not only played for, and they want "their" business back.

in Milan they still do, but all markets are changing.

Sir George Blunden, deputy governor of the Bank of England, made a pitch earlier this week for London to play host to any future European central bank. The ISE in London is moving in the same direction to consolidate its already considerable hold on the business in international equities, while playing down the notion that it is in direct competition with national markets. The fact is that there is competition - and often lots of good arbitrage prospects, especially on the big deals - and thus far London has been doing extremely well.

But continental Europe is awakening, especially France where there has already been substantial deregulation and liberalisation. Other European centres have been through their own "Little Bangs" resulting in changes in trading hours, corporate structures and centralisation patterns. Trading floors are giving way to screen-based systems, and further advances in technology may well lead to a dispersal of activity internationally. London office rents are the highest in Europe, higher than New York and an attractive compared with sky-high Tokyo.

"Big Bang" gave London a head-start, but also its current problems stemming from heavy overheads and light business, and the going must get rougher as European centres stand back from an almost standing start. As the chart shows, roughly three-fifths of London's business in international equities stems from just three countries; France, Germany and the Netherlands have not only played for, and they want "their" business back.

EUROPE

Paris tumbles while Milan bulls charge on

THE WEEK ended without a single dominant theme as Paris fell and Milan powered ahead, writes Peter Marlow in London.

PARIS tumbled at the end of an unsettled week as nervousness about the outlook for interest rates was exacerbated by the dollar's sudden fall from recent highs. The US May consumer price figures, slightly higher than expectations, raised concern that there would be no immediate further easing of US interest rates.

One analyst suggested that small French shareholders were selling because they were worried about commissions going up sharply on July 1 as part of France's Big Bang. But he added, referring to yesterday's 1.3 per cent drop: "I'm not convinced this is a major sell note in the French market. People were taking profits in major stocks that were very overpriced and it was probably a natural reaction to a bad session in New York."

The OMF 50 index fell 6.45 to 490.29 to end the week 2.6 lower. The CAC 40 index shed 17.46 to 1,722.26 and the opening CAC general was down 2.3 at 480.40. Volume was estimated at a thinner FF1.5bn.

While leading stocks were hit, with Peugeot down FF15 at FF1.615, the biggest moves

were in second liners. Epeda, car seats and pillow maker, rose a further FF4, or 6 per cent, to FF12.474; it has a tiny free float of shares and is thus volatile, but there has been speculation about a change in the main shareholders.

Europe 1, the broadcasting company, rose FF12 to FF747 on speculative interest after Philips, the Netherlands, fetched a high price for a property on the adjacent Avenue Montaigne.

MILAN ended a week of glittering gains, continuing an 11-day bull run with stocks higher across the board in heavy trading, estimated to be higher than Thursday's 1.95bn. The Comit index, which added 5.09 to 651.72 yesterday, registered an impressive 3.6 per cent climb during the week.

One regional analyst described the Italian market as banking in "a ring of confidence." The first five days of the rally had been technical, he said. "To some extent this was supported by panic buying among those who did not want to miss out on the rise and we are now getting some indiscriminate buying."

Flat, the blazing fire which has kept the market on the boil, rose 1 per cent at the fix-

ing and then climbed further to 110.370 in late trading.

AMSTERDAM was dominated by steel stock Hoogovens, which was boosted by fresh demand and busy option trading all week.

It was again the most actively traded stock in a generally firmer market, rising FI 1 to FI 114.70. An analyst said Thursday's British Steel results showed that steel prices were sustainable at current levels in Europe. He added: "There is a feeling that Hoogovens has been a laggard in the market since the beginning of the year."

The CBS tendency index closed at a day's high of 189.2, up 0.8. The index was up 1.6 per cent on the week.

KLM, which has raised its 1989 dividend by 20 cents to FI 1.80, eased 20 cents to FI 48.80.

ZURICH firmed in lively trading as sentiment improved on the weak dollar and on lower Swiss interest rates.

The Credit Suisse rose 1.4 to 569.3, a 1 per cent rise on the week.

The Swiss franc's stability against other currencies helped to attract foreign interest.

Among advancing shares were Omni Holding and Inspec-

torate International which rose on news that Inspectorate planned to sell its unit Meridian International. Europe's largest independent computer-leasing company, Inspectorate added SF145 to SF2,360 while Omni, which holds a substantial stake in Inspectorate, added SF90 to SF1,380.

FRANKFURT showed little movement awaiting the US inflation figures and tomorrow's European elections, but the dollar's sharp fall on central bank intervention caused some confusion and encouraged trading.

Trading volume held up at a moderate DM4.4bn and the FAZ index rose 1.08 to 599.09, a fall on the week of just 0.3 per cent. The DAX index closed 0.12 lower at 1,428.54.

There were few features, but utilities and bank shares, and Viag rose DM11 to DM50 amid rumours of stake-building, possibly by Lorho or Hanson of the UK.

MADRID lost ground again, ending the week 1.6 per cent lower. The general index lost 2.03 to 309.61 in a relatively quiet session.

The May inflation figure of 0.1 per cent came in after the close and was much better than expectations, which

ranged from 0.2 per cent to 0.5 per cent.

"The market has been coming back quite sharply in the last few days," said one analyst. "We're not out of the woods on inflation but this will help short-term sentiment."

STOCKHOLM closed higher in moderate trading. The AFAVSÄRINDEN General Index rose to a record for the seventh straight day, closing 2.9 higher at 1,214.5. Turnover was worth SKR295m, down from Thursday's SKR322m.

Astra rose SKR9 to SKR295 in heavy turnover after the pharmaceuticals company announced that its antipileptic medicine Losac had been approved in Canada.

BRUSSELS closed lower at the end of a fortnightly trading cycle further depressed by Wall Street losses and a weakening dollar.

COPENHAGEN was again higher in active trading, led by exporters benefiting from the strong dollar. There was strong demand for East Asiatic.

SOUTH AFRICA

VAAL Reefs jumped R3 to R202 as gold shares firmed in line with Wall Street prices. Among other heavyweights Southval rose R2 to R134.

ASIA PACIFIC

Yen recovery encourages rebound

Tokyo

A SWIFT recovery in the yen brought some relief to the Japanese equity market and share prices climbed although trading remained extremely thin, writes Michio Nakamoto in Tokyo.

After suffering the year's biggest loss of 489.90 points on Thursday, the Nikkei average turned up yesterday and breached the \$3,000 level to close 142.08 higher at \$3,055.17, 1.7 per cent down on the week.

Currency worries were still very much in the air and an early upswing was quickly undermined by midday losses. The market was only saved from another discouraging loss by a flurry of late buying from investment trust funds. The day's high on the Nikkei was 33,155.06 while the low was 32,605.60. Declines, however, led advances by 497 to 396 with 184 issues unchanged.

Turnover slipped to 691m shares from Thursday's 695m. The Topix index of all listed shares added 0.01 to 2,440.17 but in London the ISE/Nikkei 50 index fell 4.38 at 1,353.04.

Investors in Tokyo were still concerned about the reaction

to the improved US April trade figures and preferred to liquidate positions before the week-end while waiting to see how the currency markets would react. In spite of these anxieties, the consensus was that the yen's decline had gone too far and that the yen and share prices were likely to recover as Japan's economic fundamentals remained favourable.

What interest there was continued to focus on issues with good earnings and on specific themes, while large capital issues that are sensitive to foreign exchange and interest rate moves were out of favour.

Among gains, Amada, a leading machine tool maker, was favoured as a medium-sized company that will benefit from strong capital spending among Japanese companies. It was also popular for its record profit for the year ended in March. Amada was the most active machine tool stock, adding 19.24 to 291.9m shares traded, gaining Y70 to Y2,220.

Yamatake Honeywell, a leading automation equipment maker that is also expected to benefit from increased capital spending, surged Y400 to a record Y3,940 in heavy trading. It was also favoured for its low price earnings ratio of 49.

Kawasaki Steel, second on the volumes list with 22.9m shares traded, closed unchanged at Y910.

The OSE average lost 138.85 to close at \$1,851.81. Volume also slipped to 40.7m shares from Thursday's 65.7m. Onco Pharmaceutical which expects to report record profits for a 10th consecutive year and jumped Y420 to Y4,800.

over was slightly improved, up to 92m shares worth AS163m, compared with Thursday's 79m shares worth AS155m.

NZ shares added 13 cents to close at \$1,851.81. Volume also slipped to 40.7m shares from Thursday's 65.7m. Onco Pharmaceutical which expects to report record profits for a 10th consecutive year and jumped Y420 to Y4,800.

Roundup

NERVOUS Hong Kong firmed slightly, while among the other leading Asia Pacific markets, Australia was subdued and Singapore found solid support.

HONG KONG firmed marginally after easing most of the day. The Hang Seng index closed up 2.39 at 2,342.41, a gain of 3.3 per cent from the previous Friday close. Turnover slipped to HK\$604m, compared with HK\$610m on Thursday.

AUSTRALIA drifted to a slightly easier close as institutional investors remained restrained before the release on Monday of current account figures for May.

The All Ordinaries index again dipped slightly, ending 4.5 down at 1,528.7, down 1 per cent on the week. Total turn-

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	THURSDAY JUNE 15 1989				WEDNESDAY JUNE 14 1989				DOLLAR INDEX			
	US Dollar Index	Day's % Change	Pound Sterling Index	Local Currency Index	US Dollar Index	Day's % Change	Pound Sterling Index	Local Currency Index	1989 High	1989 Low		
Australia (86)	190.08	+0.1	127.01	118.37	+0.0	5.06	129.95	127.17	116.34	127.12	126.26	145.85
Austria (19)	120.10	+0.1	117.26	126.70	+0.3	2.06	120.03	117.49	126.92	124.18	82.94	86.22
Belgium (68)	126.58	-0.7	122.61	131.93	+0.3	4.16	126.42	123.71	132.34	137.10	125.58	123.12
Canada (124)	138.57	-1.0	132.21	137.01	-0.9	3.29	140.21	137.21	121.73	141.80	124.87	125.42
Denmark (33)	186.74	+1.8	185.26	203.18	+1.8	1.66	186.47	182.48	199.91	188.74	185.55	129.85
Finland (25)	137.75	-0.3	134.49	130.94	-0.1	1.50	133.13	135.17	131.01	138.16	125.81	139.37
France (128)	115.64	-0.1	112.81	124.48	-0.4	3.05	115.70	113.22	124.91	122.79	112.57	95.99
Hong Kong (81)	83.56	+0.2	89.98	87.93	+0.1	2.31	83.40	81.61	88.02	90.40	73.56	77.25
West Germany (100)	97.79	-1.8	95.48	97.83	-1.7	5.52	96.83	97.50	90.53	101.38	88.41	104.34
Ireland (17)	130.41	+0.9	127.32	130.10	+0.7	3.03	129.28	126.52	138.18	151.39	125.00	141.54
Italy (97)	61.07	+1.0	79.15	89.58	+0.7	2.50	80.26	78.53	80.00	88.88	74.97	70.50
Japan (455)	164.42	+0.4	162.56	80.85	+1.4	0.51	167.18	163.58	157.49	160.11	152.82	149.05
Malaysia (30)	177.45	-1.0	173.22	188.44	-0.8	2.27	170.21	175.38	187.87	185.03	143.35	145.36
Mexico (15)	241.41	-1.5	235.70	653.39	-1.7	0.77	245.11	239.87	266.02	245.28	153.32	171.80
Netherlands (42)	115.29	+0.5	112.56	119.92	+0.3	4.31	114.88	112.23	118.90	122.22	110.83	106.12
New Zealand (24)	84.38	+1.1	82.56	80.85	+1.4	6.13	83.32	81.37	83.7	79.02	82.84	84.05
Norway (26)	189.39	-0.9	187.80	189.18	-0.8	1.87	187.27	181.60	170.28	198.39	138.92	124.60
Spain (43)	157.84	-1.1	153.91	143.37	-0.8	1.94	159.36	155.95	144.52	161.88	124.57	123.33
South Africa (50)	137.86	-0.9	134.82	125.68	-0.5	4.27	138.24	135.28	126.17	144.85	115.35	131.05
Sweden (35)	144.37	-0.7	140.98	142.13	-0.2	3.55	144.45	141.36	145.29	155.17	145.14	151.28
Switzerland (57)	180.08	+0.6	175.98	181.18	+0.5	2.19	189.21	185.70	160.40	182.00	138.45	123.38
United Kingdom (314)	75.13	+0.0	73.55	81.40	+0.4	2.51	74.88	73.08	81.11	79.76	67.81	80.84
USA (527)	133.76	+0.0	130.60	130.80	-0.2	4.48	133.70	130.84	130.84	153.33	133.26	138.24
Europe (1005)	108.63	-1.1	107.54	100.63	-1.1	3.43	132.13	129.31	132.13	133.38	112.13	110.08
Europe (1005)	113.03	+0.2	110.36	115.13	+0.0	3.57	112.83	110.41	112.18	121.70	112.83	109.35
Nordic (125)	155.36	+0.8	151.68	153.80	+0.7	1.85	154.16	150.87	152.68	155.61	137.95	117.76
Pacific Basin (878)	160.44	-1.7	156.85	151.87	-1.2	0.78	163.19	159.70	152.74	164.22	141.58	140.91
Euro-Pacific (1531)	141.58	-1.1	137.85	130.01	-1.1	3.42	132.55	129.69	131.50	133.73	112.79	110.88
North America (381)	91.03	+0.3	87.45	105.55	+0.1	2.90	86.52	87.39	105.49	105.29	96.30	91.42
Europe Ex. Japan (221)	115.10	-0.5	112.37	108.38	-0.5	4.90	115.69	113.22	109.59	127.55	111.53	105.80
World Ex. US (1878)	141.48	-1.7	139.27	134.82	-1.1	1.12	138.65	135.89	136.39	142.04	136.98	131.15
World Ex. US (21275)	136.87	-1.1	133.44	134.56	-1.0	2.31	138.20	135.24	135.93	148.65	136.67	131.76
World Ex. Japan (1980)	123.82	-0.7	120.90	128.93	-0.7	3.54	124.64	121.97	124.85	123.50	114.51	111.18
The World Index (2455)	138.68	-1.1	135.45	134.50	-1.0	2.33	138.20	135.24	135.86	146.51	138.68	131.76

Copyright, The Financial Times Limited, Goldman, Sachs & Co., and County NatWest Securities Limited. 1987. Latest prices were unavailable for this edition.

Financial Times Guides to INVESTMENT & FINANCIAL PLANNING

New Edition
A GUIDE TO FINANCIAL TIMES STATISTICS
Are you getting 100% out of your daily newspaper? The Financial Times provides the best and most comprehensive range of financial and economic data of any business newspaper. And almost 25% of it is devoted to statistics. Designed to help you get the most out of the new paper.

A Guide to Financial Times Statistics will help both the lay reader and professional investor alike. This new edition will help you to find the figures you need, to understand how they are compiled, and how they should be read. Written by FT journalists who are experts in their fields, each chapter has been carefully updated and reorganised to reflect the FT's new approach to its statistical coverage.
Published June 1989. UK price \$12.95

FT GUIDE TO UNIT TRUSTS
by Christine Slopp
Why should you become a unit investor? Will a unit trust give you a better return than a building society account? Why unit trusts rather than shares? This guide answers these and other questions and outlines all you need to know to make an informed investment decision about unit trusts. The book provides a detailed explanation of how unit trusts work, how to choose the most appropriate trusts for your circumstances, and how to assess their performance.
Published September 1988. UK price \$8.95

INVESTING FOR BEGINNERS
by Daniel O'Shea (4th edition)
How well informed are you? Do you know a right issue from a scrip issue? Can you distinguish a merger from an acquisition? Do you know the difference between unit trusts and investment funds? Aimed at helping the investor through the complexities of the stockmarket from scratch, Investing for Beginners demystifies the basic principles of the market in a practical and authoritative way. It examines a range of investment-related issues and has been revised to reflect radical changes in investment and taxation and their effect upon the investor. Invaluable to those new to the stockmarket as well as experts.
Published August 1988. UK price \$9.50

FT GUIDE TO INVESTMENT TRUSTS
by Anthea Massey
Investment trusts are one of the best kept secrets of the investment world. This guide has been written to dispel the myths and provide the investor with clear and concise information on how to move into and maximise the advantages of this long-established form of investment. The book gives a step-by-step guide to the various options available to the investor. It explains complexities such as discounts and warrants, and gives guidance on how to choose and how to buy shares in an investment trust.
Published September 1988. UK price \$8.95

INVESTOR'S GUIDE TO THE STOCK MARKET
by Gordon Cummings (5th edition)
Written for everyone who knows that they ought to look after their savings more seriously, the new and extensively revised fifth edition of Investor's Guide to the Stock Market cuts through all the jargon. It gives a down-to-earth explanation of how the market works and how to use it for your own benefit. Whether you are new to the DIY investment scene or are already managing your own portfolio, Investor's Guide to the Stock Market offers essential reading. It will provide you with all the background information you must

LONDON STOCK EXCHANGE Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. Details relate to those securities not included in the FT Share Information Services. Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Telexnet system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date. Rule 535(2) and Third Market stocks are not regulated by the International Stock Exchange of the United Kingdom and the Republic of Ireland Ltd. Bargains at special prices. Bargains done the previous day.

Corporation and County

Stocks No. of bargains included 4 Greater London Council 6 1/2% Deb 1982-83 100% Subord Uns Ln 1983-84 100% Subord Uns Ln 2004-2005 100% Subord Uns Ln 2004-2005 100% Subord Uns Ln 2004-2005

UK Public Boards

No. of bargains included 8 Agricultural Mortgage Corp PLC 5 1/2% Deb 1989-90 100% Subord Uns Ln 1989-90 100% Subord Uns Ln 1989-90 100% Subord Uns Ln 1989-90

Foreign Stocks, Bonds, etc

(London) No. of bargains included 13 Abbey National Building Society 1 1/2% Deb 1989-90 100% Subord Uns Ln 1989-90 100% Subord Uns Ln 1989-90 100% Subord Uns Ln 1989-90

Alphacell PLC 10% Cum Div Prt 1 - 115 (14.48) 7% Cum Div Prt 1 - 110 (14.48) 8% Cum Div Prt 1 - 110 (14.48) 9% Cum Div Prt 1 - 110 (14.48) 10% Cum Div Prt 1 - 110 (14.48)

Capo Industries PLC 10% Dividend Cum Div Prt 1 - 130 (14.48) 10% Dividend Cum Div Prt 2 - 130 (14.48) 10% Dividend Cum Div Prt 3 - 130 (14.48) 10% Dividend Cum Div Prt 4 - 130 (14.48)

Cooper (Frederick) PLC 5 1/2% Deb 1989-90 100% Subord Uns Ln 1989-90 100% Subord Uns Ln 1989-90 100% Subord Uns Ln 1989-90 100% Subord Uns Ln 1989-90

DRG PLC 7 1/2% Cum Div Prt 1 - 220 (14.48) 7 1/2% Cum Div Prt 2 - 220 (14.48) 7 1/2% Cum Div Prt 3 - 220 (14.48) 7 1/2% Cum Div Prt 4 - 220 (14.48)

International Diapers & Wipers Ltd 4 1/2% Deb 2000-01 100% Subord Uns Ln 2000-01 100% Subord Uns Ln 2000-01 100% Subord Uns Ln 2000-01 100% Subord Uns Ln 2000-01

Widened & Co PLC 8 1/2% Cum Div Prt 1 - 110 (14.48) 8 1/2% Cum Div Prt 2 - 110 (14.48) 8 1/2% Cum Div Prt 3 - 110 (14.48) 8 1/2% Cum Div Prt 4 - 110 (14.48)

ADT Ltd 10% Cum Div Prt 1 - 110 (14.48) 10% Cum Div Prt 2 - 110 (14.48) 10% Cum Div Prt 3 - 110 (14.48) 10% Cum Div Prt 4 - 110 (14.48)

Associated British Foods PLC 5 1/2% Deb 1989-90 100% Subord Uns Ln 1989-90 100% Subord Uns Ln 1989-90 100% Subord Uns Ln 1989-90 100% Subord Uns Ln 1989-90

Associated British Foods PLC 5 1/2% Deb 1989-90 100% Subord Uns Ln 1989-90 100% Subord Uns Ln 1989-90 100% Subord Uns Ln 1989-90 100% Subord Uns Ln 1989-90

Associated British Foods PLC 5 1/2% Deb 1989-90 100% Subord Uns Ln 1989-90 100% Subord Uns Ln 1989-90 100% Subord Uns Ln 1989-90 100% Subord Uns Ln 1989-90

Waverley Cameron PLC 7 1/2% Cum Div Prt 1 - 110 (14.48) 7 1/2% Cum Div Prt 2 - 110 (14.48) 7 1/2% Cum Div Prt 3 - 110 (14.48) 7 1/2% Cum Div Prt 4 - 110 (14.48)

Waverley Cameron PLC 7 1/2% Cum Div Prt 1 - 110 (14.48) 7 1/2% Cum Div Prt 2 - 110 (14.48) 7 1/2% Cum Div Prt 3 - 110 (14.48) 7 1/2% Cum Div Prt 4 - 110 (14.48)

Waverley Cameron PLC 7 1/2% Cum Div Prt 1 - 110 (14.48) 7 1/2% Cum Div Prt 2 - 110 (14.48) 7 1/2% Cum Div Prt 3 - 110 (14.48) 7 1/2% Cum Div Prt 4 - 110 (14.48)

Waverley Cameron PLC 7 1/2% Cum Div Prt 1 - 110 (14.48) 7 1/2% Cum Div Prt 2 - 110 (14.48) 7 1/2% Cum Div Prt 3 - 110 (14.48) 7 1/2% Cum Div Prt 4 - 110 (14.48)

Waverley Cameron PLC 7 1/2% Cum Div Prt 1 - 110 (14.48) 7 1/2% Cum Div Prt 2 - 110 (14.48) 7 1/2% Cum Div Prt 3 - 110 (14.48) 7 1/2% Cum Div Prt 4 - 110 (14.48)

Waverley Cameron PLC 7 1/2% Cum Div Prt 1 - 110 (14.48) 7 1/2% Cum Div Prt 2 - 110 (14.48) 7 1/2% Cum Div Prt 3 - 110 (14.48) 7 1/2% Cum Div Prt 4 - 110 (14.48)

Waverley Cameron PLC 7 1/2% Cum Div Prt 1 - 110 (14.48) 7 1/2% Cum Div Prt 2 - 110 (14.48) 7 1/2% Cum Div Prt 3 - 110 (14.48) 7 1/2% Cum Div Prt 4 - 110 (14.48)

Waverley Cameron PLC 7 1/2% Cum Div Prt 1 - 110 (14.48) 7 1/2% Cum Div Prt 2 - 110 (14.48) 7 1/2% Cum Div Prt 3 - 110 (14.48) 7 1/2% Cum Div Prt 4 - 110 (14.48)

Waverley Cameron PLC 7 1/2% Cum Div Prt 1 - 110 (14.48) 7 1/2% Cum Div Prt 2 - 110 (14.48) 7 1/2% Cum Div Prt 3 - 110 (14.48) 7 1/2% Cum Div Prt 4 - 110 (14.48)

Waverley Cameron PLC 7 1/2% Cum Div Prt 1 - 110 (14.48) 7 1/2% Cum Div Prt 2 - 110 (14.48) 7 1/2% Cum Div Prt 3 - 110 (14.48) 7 1/2% Cum Div Prt 4 - 110 (14.48)

M&G International Income Fund Inc 7 1/2% Cum Div Prt 1 - 110 (14.48) 7 1/2% Cum Div Prt 2 - 110 (14.48) 7 1/2% Cum Div Prt 3 - 110 (14.48) 7 1/2% Cum Div Prt 4 - 110 (14.48)

Mines - Miscellaneous Unallocated Financial Inc PLC Warrants to sub for Ord - 55 (14.48) 7 1/2% Cum Div Prt 1 - 110 (14.48) 7 1/2% Cum Div Prt 2 - 110 (14.48)

Mines - South African Anglo American Platinum PLC 7 1/2% Cum Div Prt 1 - 110 (14.48) 7 1/2% Cum Div Prt 2 - 110 (14.48) 7 1/2% Cum Div Prt 3 - 110 (14.48) 7 1/2% Cum Div Prt 4 - 110 (14.48)

Mines - South African Anglo American Platinum PLC 7 1/2% Cum Div Prt 1 - 110 (14.48) 7 1/2% Cum Div Prt 2 - 110 (14.48) 7 1/2% Cum Div Prt 3 - 110 (14.48) 7 1/2% Cum Div Prt 4 - 110 (14.48)

Mines - South African Anglo American Platinum PLC 7 1/2% Cum Div Prt 1 - 110 (14.48) 7 1/2% Cum Div Prt 2 - 110 (14.48) 7 1/2% Cum Div Prt 3 - 110 (14.48) 7 1/2% Cum Div Prt 4 - 110 (14.48)

Mines - South African Anglo American Platinum PLC 7 1/2% Cum Div Prt 1 - 110 (14.48) 7 1/2% Cum Div Prt 2 - 110 (14.48) 7 1/2% Cum Div Prt 3 - 110 (14.48) 7 1/2% Cum Div Prt 4 - 110 (14.48)

Mines - South African Anglo American Platinum PLC 7 1/2% Cum Div Prt 1 - 110 (14.48) 7 1/2% Cum Div Prt 2 - 110 (14.48) 7 1/2% Cum Div Prt 3 - 110 (14.48) 7 1/2% Cum Div Prt 4 - 110 (14.48)

Mines - South African Anglo American Platinum PLC 7 1/2% Cum Div Prt 1 - 110 (14.48) 7 1/2% Cum Div Prt 2 - 110 (14.48) 7 1/2% Cum Div Prt 3 - 110 (14.48) 7 1/2% Cum Div Prt 4 - 110 (14.48)

Mines - South African Anglo American Platinum PLC 7 1/2% Cum Div Prt 1 - 110 (14.48) 7 1/2% Cum Div Prt 2 - 110 (14.48) 7 1/2% Cum Div Prt 3 - 110 (14.48) 7 1/2% Cum Div Prt 4 - 110 (14.48)

Mines - South African Anglo American Platinum PLC 7 1/2% Cum Div Prt 1 - 110 (14.48) 7 1/2% Cum Div Prt 2 - 110 (14.48) 7 1/2% Cum Div Prt 3 - 110 (14.48) 7 1/2% Cum Div Prt 4 - 110 (14.48)

Mines - South African Anglo American Platinum PLC 7 1/2% Cum Div Prt 1 - 110 (14.48) 7 1/2% Cum Div Prt 2 - 110 (14.48) 7 1/2% Cum Div Prt 3 - 110 (14.48) 7 1/2% Cum Div Prt 4 - 110 (14.48)

Bank of Ireland PLC 10% Cum Div Prt 1 - 110 (14.48) 10% Cum Div Prt 2 - 110 (14.48) 10% Cum Div Prt 3 - 110 (14.48) 10% Cum Div Prt 4 - 110 (14.48)

Bank of Ireland PLC 10% Cum Div Prt 1 - 110 (14.48) 10% Cum Div Prt 2 - 110 (14.48) 10% Cum Div Prt 3 - 110 (14.48) 10% Cum Div Prt 4 - 110 (14.48)

Bank of Ireland PLC 10% Cum Div Prt 1 - 110 (14.48) 10% Cum Div Prt 2 - 110 (14.48) 10% Cum Div Prt 3 - 110 (14.48) 10% Cum Div Prt 4 - 110 (14.48)

Bank of Ireland PLC 10% Cum Div Prt 1 - 110 (14.48) 10% Cum Div Prt 2 - 110 (14.48) 10% Cum Div Prt 3 - 110 (14.48) 10% Cum Div Prt 4 - 110 (14.48)

Bank of Ireland PLC 10% Cum Div Prt 1 - 110 (14.48) 10% Cum Div Prt 2 - 110 (14.48) 10% Cum Div Prt 3 - 110 (14.48) 10% Cum Div Prt 4 - 110 (14.48)

Bank of Ireland PLC 10% Cum Div Prt 1 - 110 (14.48) 10% Cum Div Prt 2 - 110 (14.48) 10% Cum Div Prt 3 - 110 (14.48) 10% Cum Div Prt 4 - 110 (14.48)

Bank of Ireland PLC 10% Cum Div Prt 1 - 110 (14.48) 10% Cum Div Prt 2 - 110 (14.48) 10% Cum Div Prt 3 - 110 (14.48) 10% Cum Div Prt 4 - 110 (14.48)

Bank of Ireland PLC 10% Cum Div Prt 1 - 110 (14.48) 10% Cum Div Prt 2 - 110 (14.48) 10% Cum Div Prt 3 - 110 (14.48) 10% Cum Div Prt 4 - 110 (14.48)

SPANISH BANKING Finance & Investment The Financial Times proposes to publish this survey on: 22nd June 1989 For a full editorial synopsis and advertisement details, please contact: Mr Richard Oliver Tel Madrid 577 09 09 or write him at Financial Times Serrano 58, 28001 Madrid Fax number: Madrid 564 18 92 Alternatively Sandra Lynch Number One Southwark Bridge London SE1 9HL Tel: 01-873 4199

GOLD & PRECIOUS METALS The Financial Times proposes to publish this survey on: 26th June 1989 For a full editorial synopsis and advertisement details, please contact: Edward Macquisten on 01-873 3300 or write to him at: Number One Southwark Bridge London SE1 9HL

FRANCE The Financial Times proposes to publish this survey on: 28th June 1989 For a full editorial synopsis and advertisement details, please contact: Patricia Surridge on 01-873 3426 or Benjamin Hughes Financial Times, (France) Ltd Centre d'Affaires Le Louvre 168 rue Rivoli F-75004 Paris Cedex 01, France Tel: (01) 42970621

LONDON STOCK EXCHANGE

Equity Account ends in good form

THE SHIFT in direction in the currency markets and a slightly better UK Retail Price Index figure than feared in some quarters inspired a fragile rally in UK equities yesterday. Although traders reported good quality support for selected stocks, they also agreed that the underlying concern over sterling and the implications for domestic interest rates remain.

sterling's firmness, prompted initially by the dollar's overnight setback, was balanced by the falls in both New York and Tokyo equity markets, as well as by a strong showing by the UK Opposition in holding two Labour seats in Thursday's by-elections.

The US Consumer Price Index, plus 0.6 per cent in May, was also regarded as good news on inflation, and London equities extended their gains to show a 13 point advance in the Footsie index at mid-session.

The new equity trading Account, taking the market to its best level of the session. The FT-SE Index closed at 2,143.9, a net 14.3 up on the day. The trading Account has seen the Footsie gain 41.3 points despite renewed weakness in sterling and a global background featured by the explosion in China.

FINANCIAL TIMES STOCK INDICES

Table with columns for Jun 15, Jun 16, Jun 17, Jun 18, Jun 19, Jun 20, Jun 21, Jun 22, Jun 23, Jun 24, Jun 25, Jun 26, Jun 27, Jun 28, Jun 29, Jun 30, 1989, High, Low, Since Completion, Low. Rows include Government Secs, Fixed Interest, Ordinary, Gold Mines, Ord. Div. Yield, P/E Ratio, etc.

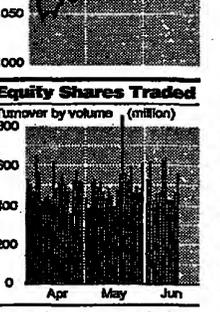
Two-way pull at Ultramar

Ultramar, the independent oil group, rose and fell in response first to a substantial profits upgrading by one of the UK's top securities houses, and then to news that another oil group, Premier Consolidated, had sold its 2 per cent holding in Ultramar into the market.

Gen Acc lower

General Accident (Gen Acc) was prominent among casualties in the insurance sector, after it announced a £112m cut for the outstanding 49 per cent holding in NZI, the trust.

FT-A All-Share Index



are well undervalued if the synergies between Becham and SmithKline are realised. The effective date of the merger is July 26, when dealing starts in SmithKline Becham shares and loan stock.

Fisons product knocked the latter's shares back

The 25p bid for Fisons product knocked the latter's shares back. They had risen 25p to 294p, 9 off on the day. No one has pentamidine in their profit figures, said an analyst, but this hints sentiment especially since Fisons management had said at various stages that it was a bid for a takeover.

shares raced ahead for the second successive day

shares raced ahead for the second successive day, closing a further 25p up at 763p. The powerful buying earlier in the week by Nomura said to have been complemented by strong European demand. This was triggered by talk that a bid could be forthcoming from the German, Bertelsmann, the publishing group, was seen as a possible bidder.

TRADING VOLUME IN MAJOR STOCKS

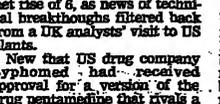
Table showing trading volume for various stocks including Astra, British Airways, British Telecom, etc. Columns include Stock, Volume, Price, % Change, etc.

But the shares later retreated to end only 3/4 higher at 306p after the market picked up the account of a big placing in the market, while Sir Roy Brierley's near-14 per cent holding was placed with institutions by Smith New Court two weeks ago.

Becham active

Becham climbed 10 to 628p in moderate turnover of 1.1m. The company is in the final stages of organising its merger with SmithKline Becham of the US and is holding an AGM on Tuesday.

Equity Shares Traded



Expectations of a bitter battle between the big brewers and Lord Young over the Monopolies Commission's recommendations for restructuring the industry's brewing stocks by an unhappy mood.

Another rare fall was returned by Iceland Frozen Foods, down 2 at 388p amid rumours that the company is having trouble with the integration of the recently acquired Bejan group. Other-wise manufacturers went

firmly with the market, Dalgety enjoying a late spurt to 265p on the day and boosted by hints of renewed Australian interest. Mr Robert Holmes & Court already has 5.2 per cent of Dalgety.

sharply to touch 227p before recovering to 226p, a decline of 12 on the day. A stock overhang did not encourage buying interest. Dealers were further depressed either because they thought that no buyers would be found for the management consultancy division put up for sale this week, or that if a buyer were found, the value of the remaining business would justify a price of no more than 270p.

shares to take his stake past 61m, equivalent to 24.9 per cent of the company. Music and television production company Chrysalis revealed interim losses of more than £2m against a £2m profit in the previous period. The stock slipped 8 to 183p in thin trade.

Asda returns

Shares in Asda, the supermarket group, turned in another remarkable performance, climbing 9 1/2 to 179 1/2p on turnover of 1.1m. Dealers reported a good two-way market, and some persistent speculative demand from what one observer called "unusual names - not the typical pukka institutions."

NEW HIGHS AND LOWS FOR 1989

Table listing new highs and lows for 1989 across various sectors like British Funds, Corporate, Industrial, etc.

RISES AND FALLS

Table showing rises and falls for various sectors on Friday and on the week.

LEADERS AND LAGGARDS

Table showing percentage changes since December 30 1988 based on Thursday June 15 for various sectors.

BENCHMARK GOVERNMENT BONDS

Table showing benchmark government bonds with columns for Coupon, Red Date, Price, Change, Yield, Week ago, Month ago.

WEEK IN THE MARKETS

Coffee plunges after talks failure

THE COLLAPSE, in the early hours of Tuesday morning, of talks aimed at securing the International Coffee Agreement, was hardly a bolt from the blue, but it still triggered a sudden plunge in prices.

Asda returns

Asda has been regarded as a bid target for some time, particularly since the Brierley brothers, the Canadian entrepreneurs, acquired a near 4 per cent stake. However, some analysts now believe that the Canadians are currently looking for a buyer of their Asda stake, and the talk in the market yesterday once again centred on West German group

Asda returns

Colombia, the two biggest producers, who wanted more time to sort out market allocations. Inevitably as the collapse had seemed, the London futures market took it as its cue for a £125 drop on the day which took the September position down to £1,065 a tonne. By last night's close the price had edged up to £1,090 a tonne, but that was still 95c down on the week.

Asda returns

expected for this week - the Belgian news helped to lift LME metal prices by 55c on the week to £1.21 a lb. That was after a £37 rise yesterday which was encouraged by worries over a possible strike at Noranda Mines' CCR division in Montreal. Workers were rumoured already to have given their union representatives a strike mandate, should current negotiations on a new labour contract not reach a satisfactory conclusion.

Asda returns

Electricity supply post Ms Penny Boys has been appointed deputy director general of electricity supply for England and Wales. She was director of personnel at the Department of Energy. She will assist the director general designate of electricity supply, Professor Stephen Littlechild, in setting up the Office of Electricity Regulation (OFFER), the body responsible for regulating and monitoring the electricity supply industry once it is privatised. Ms Boys will also be responsible for personnel and finance.

APPOINTMENTS

NEWS INTERNATIONAL has appointed Mr Liam Kane as general manager of SKY Television. He was general manager of Today newspaper, where he is succeeded by Mr John East who was deputy circulation manager. A.J. ARCHER HOLDINGS has appointed Mr Richard J. Maylam as a joint deputy chairman, and to a similar post at the company's subsidiary, A.J. Archer & Co, a managing agent at Lloyd's. A director of both companies, he is the underwriter of aviation syndicate 270. Mr Kevin Stack has been appointed managing director of PHOENIX WINDOWS Market Harborough. He was managing director of James Stack & Sons. Mr Dick Barnhoorn has been elected general manager of EASTBOURNE WATER. He was head of operations. ALLIED PARTNERSHIP GROUP has appointed Mr B.K. Pettit to the main board. He is responsible for railcar leasing, and bi-modal transport activities, Tiger Rail, and Triller Train. Mr Ian Yates has been appointed managing director - Europe of GATEWAY DESIGN AUTOMATION. They will be supported by six functional divisions. Mr Howard Maguire has been made UK equities director; Mr Bob Pennells becomes international equities director; Ms Jennie Paterson is appointed sales and marketing director; Mr Ronnie Savage takes on the role of systems and securities director; Mr John Miller has been named personal director and Mr Richard Cawdron has been appointed finance director, company secretary and compliance director. The management committee will be chaired by Mr David Barker, managing director of HSIM.

WEEK IN THE MARKETS

Coffee plunges after talks failure

THE COLLAPSE, in the early hours of Tuesday morning, of talks aimed at securing the International Coffee Agreement, was hardly a bolt from the blue, but it still triggered a sudden plunge in prices.

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2728

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust Managers Ltd, Abbey Unit Trust Managers Ltd, Abbey Unit Trust Managers Ltd, etc. with columns for Name, Class, and Price.

Table listing various unit trusts such as Alliance Unit Trust Managers Ltd, Alliance Unit Trust Managers Ltd, Alliance Unit Trust Managers Ltd, etc. with columns for Name, Class, and Price.

Table listing various unit trusts such as Alliance Unit Trust Managers Ltd, Alliance Unit Trust Managers Ltd, Alliance Unit Trust Managers Ltd, etc. with columns for Name, Class, and Price.

Table listing various unit trusts such as Alliance Unit Trust Managers Ltd, Alliance Unit Trust Managers Ltd, Alliance Unit Trust Managers Ltd, etc. with columns for Name, Class, and Price.

Table listing various unit trusts such as Alliance Unit Trust Managers Ltd, Alliance Unit Trust Managers Ltd, Alliance Unit Trust Managers Ltd, etc. with columns for Name, Class, and Price.

Table listing various unit trusts such as Alliance Unit Trust Managers Ltd, Alliance Unit Trust Managers Ltd, Alliance Unit Trust Managers Ltd, etc. with columns for Name, Class, and Price.

Table listing various unit trusts such as Alliance Unit Trust Managers Ltd, Alliance Unit Trust Managers Ltd, Alliance Unit Trust Managers Ltd, etc. with columns for Name, Class, and Price.

Table listing various unit trusts such as Alliance Unit Trust Managers Ltd, Alliance Unit Trust Managers Ltd, Alliance Unit Trust Managers Ltd, etc. with columns for Name, Class, and Price.

Table listing various unit trusts such as Alliance Unit Trust Managers Ltd, Alliance Unit Trust Managers Ltd, Alliance Unit Trust Managers Ltd, etc. with columns for Name, Class, and Price.

GUIDE TO UNIT TRUST PRICING. This section provides detailed information on how unit trust prices are calculated, including details on net asset value, expenses, and the role of the trustee.

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

Main table containing unit trust information with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections for 'OTHER UK UNIT TRUSTS' and 'INSURANCES'.

OTHER UK UNIT TRUSTS

Table listing various UK unit trusts such as 'Windsor Trusts Ltd', 'Albany Life Assurance Co Ltd', and 'City of Edinburgh Life Assurance Co Ltd'.

INSURANCES

Table listing insurance-related unit trusts and their details.

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

Main table containing unit trust information, organized into columns for various trust categories such as 'Prestige Life Assurance Co Ltd', 'Scottish Equitable Life Assurance Co Ltd', 'Target Life Assurance Co Ltd', etc. Each entry includes the trust name, price, and other financial details.

JERSEY (SIB RECOGNISED)

Table listing Jersey-based unit trusts, including names like 'Allied Overseas International Fund' and 'Guernsey (SIB RECOGNISED)'.

LUXEMBOURG (SIB RECOGNISED)

Table listing Luxembourg-based unit trusts, including names like 'Allied Overseas International Fund' and 'Guernsey (SIB RECOGNISED)'.

JERSEY (SIB RECOGNISED)

Table listing Jersey-based unit trusts, including names like 'Allied Overseas International Fund' and 'Guernsey (SIB RECOGNISED)'.

SWITZERLAND (SIB RECOGNISED)

Table listing Switzerland-based unit trusts, including names like 'Allied Overseas International Fund' and 'Guernsey (SIB RECOGNISED)'.

MANAGEMENT SERVICES

Table listing management services, including names like 'David M. Adams Personal Fin. Planners Ltd' and 'The Analysis Group PLC'.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas services, including names like 'Guernsey (SIB RECOGNISED)' and 'Luxembourg (SIB RECOGNISED)'.

MANAGEMENT SERVICES

Table listing management services, including names like 'David M. Adams Personal Fin. Planners Ltd' and 'The Analysis Group PLC'.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas services, including names like 'Guernsey (SIB RECOGNISED)' and 'Luxembourg (SIB RECOGNISED)'.

MANAGEMENT SERVICES

Table listing management services, including names like 'David M. Adams Personal Fin. Planners Ltd' and 'The Analysis Group PLC'.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas services, including names like 'Guernsey (SIB RECOGNISED)' and 'Luxembourg (SIB RECOGNISED)'.

FT UNIT TRUST INFORMATION SERVICE

Table of FT Unit Trust Information Service, listing various unit trusts such as British Funds, Commonwealth & African Loans, and American Funds, with columns for Name, Price, and Yield.

LONDON SHARE SERVICE

Table of London Share Service, listing various share funds and commonwealth & African loans, with columns for Name, Price, and Yield.

UNIT TRUST NOTES
Prices are in pence unless otherwise indicated and they represent the actual price of the unit trust as at the end of the month.

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-925-2128

AMERICANS - Contd

Table listing American stocks with columns for 1989 price, 1988 price, and change. Includes companies like Amgen, Amstar, and Amstar.

BUILDING, TIMBER, ROADS - Contd

Table listing building, timber, and roads stocks with columns for 1989 price, 1988 price, and change. Includes companies like Amstar and Amstar.

DRAPERY AND STORES - Contd

Table listing drapery and stores stocks with columns for 1989 price, 1988 price, and change. Includes companies like Amstar and Amstar.

ENGINEERING

Table listing engineering stocks with columns for 1989 price, 1988 price, and change. Includes companies like Amstar and Amstar.

INDUSTRIALS (Miscel.) - Contd

Table listing industrial stocks with columns for 1989 price, 1988 price, and change. Includes companies like Amstar and Amstar.

INDUSTRIALS (Miscel.) - Contd

Table listing industrial stocks with columns for 1989 price, 1988 price, and change. Includes companies like Amstar and Amstar.

CANADIANS

Table listing Canadian stocks with columns for 1989 price, 1988 price, and change. Includes companies like Amstar and Amstar.

ELECTRICALS

Table listing electrical stocks with columns for 1989 price, 1988 price, and change. Includes companies like Amstar and Amstar.

FOOD, GROCERIES, ETC

Table listing food, groceries, etc. stocks with columns for 1989 price, 1988 price, and change. Includes companies like Amstar and Amstar.

HOTELS AND CATERERS

Table listing hotels and caterers stocks with columns for 1989 price, 1988 price, and change. Includes companies like Amstar and Amstar.

INDUSTRIALS (Miscel.)

Table listing industrial stocks with columns for 1989 price, 1988 price, and change. Includes companies like Amstar and Amstar.

INSURANCES

Table listing insurance stocks with columns for 1989 price, 1988 price, and change. Includes companies like Amstar and Amstar.

BANKS, HP & LEASING

Table listing banks, HP & leasing stocks with columns for 1989 price, 1988 price, and change. Includes companies like Amstar and Amstar.

CHEMICALS, PLASTICS

Table listing chemicals, plastics stocks with columns for 1989 price, 1988 price, and change. Includes companies like Amstar and Amstar.

DRAPERY AND STORES

Table listing drapery and stores stocks with columns for 1989 price, 1988 price, and change. Includes companies like Amstar and Amstar.

INDUSTRIALS (Miscel.)

Table listing industrial stocks with columns for 1989 price, 1988 price, and change. Includes companies like Amstar and Amstar.

BEERS, WINES & SPIRITS

Table listing beer, wine, and spirit stocks with columns for 1989 price, 1988 price, and change. Includes companies like Amstar and Amstar.

INDUSTRIALS (Miscel.)

Table listing industrial stocks with columns for 1989 price, 1988 price, and change. Includes companies like Amstar and Amstar.

BUILDING, TIMBER, ROADS

Table listing building, timber, and roads stocks with columns for 1989 price, 1988 price, and change. Includes companies like Amstar and Amstar.

DRAPERY AND STORES

Table listing drapery and stores stocks with columns for 1989 price, 1988 price, and change. Includes companies like Amstar and Amstar.

INDUSTRIALS (Miscel.)

Table listing industrial stocks with columns for 1989 price, 1988 price, and change. Includes companies like Amstar and Amstar.

INDUSTRIALS (Miscel.)

Table listing industrial stocks with columns for 1989 price, 1988 price, and change. Includes companies like Amstar and Amstar.

INDUSTRIALS (Miscel.)

Table listing industrial stocks with columns for 1989 price, 1988 price, and change. Includes companies like Amstar and Amstar.

INDUSTRIALS (Miscel.)

Table listing industrial stocks with columns for 1989 price, 1988 price, and change. Includes companies like Amstar and Amstar.

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-825-2128

INSURANCES - Contd

Table of insurance companies including Aviva, British American, and others, with columns for stock price, high/low, and P/E ratio.

LEISURE

Table of leisure companies including British Skyways, British Telecom, and others.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade companies including British Airways, British Leyland, and others.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising companies including British Newspapers, British Printing, and others.

PAPER, PRINTING, ADVERTISING - Contd

Continuation of paper, printing, and advertising companies.

PROPERTY

Table of property companies including British Land, British Property, and others.

COMMERCIAL VEHICLES

Table of commercial vehicle companies including British Leyland, British Van, and others.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher companies including British Newspapers, British Publishing, and others.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising companies.

TEXTILES

Table of textile companies including British Textiles, British Wool, and others.

TOBACCO

Table of tobacco companies including British American Tobacco, British Tobacco, and others.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land companies including British Trusts, British Finance, and others.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land companies.

SHIPPING

Table of shipping companies including British Shipping, British Maritime, and others.

TRUSTS, FINANCE, LAND - Contd

Continuation of trusts, finance, and land companies.

FINANCE, LAND, ETC

Table of finance, land, and other companies.

FINANCE, LAND, ETC

Table of finance, land, and other companies.

OIL AND GAS

Table of oil and gas companies including British Petroleum, British Gas, and others.

OIL AND GAS - Contd

Continuation of oil and gas companies.

OVERSEAS TRADERS

Table of overseas traders including British Overseas, British International, and others.

PLANTATIONS

Table of plantation companies including British Plantations, British Rubber, and others.

MINES

Table of mining companies including British Mines, British Minerals, and others.

MINES

Table of mining companies.

FINANCE

Table of finance companies including British Finance, British Investment, and others.

MINES - Contd

Continuation of mining companies.

MISCELLANEOUS

Table of miscellaneous companies including British Miscellaneous, British Services, and others.

THIRD MARKET

Table of third market companies including British Third Market, British Exchange, and others.

THIRD MARKET

Table of third market companies.

REGIONAL & IRISH STOCKS

Table of regional and Irish stocks including British Regional, British Irish, and others.

TRADITIONAL OPTIONS

Table of traditional options including British Options, British Futures, and others.

This service is available by every Cityline desk in all offices... Exchanges throughout the United Kingdom for a fee of £200 per annum for each security.



FINANCIAL TIMES

Weekend June 17/June 18 1989



Inflation rate quickens to 8.3%

By Peter Norman, Economics Correspondent

INFLATION in Britain quickened again last month to an annual 8.3 per cent rate, its highest since July 1982. However, financial markets reacted calmly to the increase from 8 per cent in April, after earlier Government warnings to expect a rise.

The Department of Employment said increased housing, food and petrol costs were the main factors pushing the retail price index up by 0.6 per cent between April and May after the previous month's 1.8 per cent jump.

Britain now has significantly higher inflation than its industrial trading partners. In the European Community, where the average inflation rate is 5.1 per cent, only Greece and Portugal have higher annual inflation rates.

Government officials warned of further price rises. Pork, dairy products and tea have increased in price recently and higher electricity and gas prices are in the pipeline.

Financial markets were braced for a May inflation rate of up to 8.5 per cent, so yesterday's news helped to steady the pound, push money market interest rates lower and equities higher. The FTSE 100 index closed at 2,143.9, its highest level of the day, up 14.3.

The Treasury repeated that monetary policy would remain as tight as necessary and for as long as necessary to bring inflation down.

City analysts believe the first real chance of a decline in the annual rate will be in August, when the first of last year's large mortgage rate increases drops out of the index.

Yesterday's official figures showed that the underlying annual inflation rate, which excludes mortgage payments, edged upwards to 6 per cent in May from 5.9 per cent in April. The tax and price index, which measures the increase in gross taxable income needed to compensate tax payers for any increase in retail prices, rose by 8.4 per cent over the twelve months to May compared with 8.3 per cent the month before.

The retail prices index rose to 115 (base January 1987=100) in May from 114.3 in April, while the tax and price index advanced to 110.5 (base January 1987=100) from 109.8 in April.

PSBR exceeds forecasts; Manufacturing output stag- nates. Page 4

Time bids \$14bn for Warner

By Roderick Oram in New York

TIME INC bid \$14bn (\$9,126bn) for Warner Communications yesterday, thrilling Wall Street with the prospect of a long, litigious and potentially hugely profitable summer for shareholders in the media companies.

The \$70 a share offer for Warner was Time's attempt to preserve the merger pact they forged in early March which would create a global media operation with revenues of \$10bn a year from magazines, films, television, records and books.

Their agreed share swap was thwarted 10 days ago when Paramount Communications, a rival in films and books, made a \$10.7bn offer for Time.

Takeover speculators hastily placed their bets yesterday on every permutation in the three-cornered fight which could yet attract other bidders. No analyst or arbitrator could predict the outcome, but

one arbitrator, his voice crackling with excitement, suggested that Time and Warner could each end up being sold separately to other parties for a total approaching \$30bn.

Time's bid for Warner was given little hope for success at its current price. The next step in the battle, many analysts believe, is that Paramount will sue Time for rejecting its bid out of hand, raising its offer for Time from \$17.5 a share.

Share prices reflected the widespread feeling that some other bid, or combination of bids, special dividends or other actions will be the ultimate outcome. By early afternoon Time had fallen only \$5 to \$166.7, Warner rose only \$3 to \$59 and Paramount slipped a mere \$4 to \$59.4.

Rhetoric and litigation also swung into play with Time dis- missing Paramount's bid for it as purely a defensive device to

block the Time-Warner merger. Time applied for an injunction to prevent Paramount buying its shares.

The fight engages two of the most hard-dealing and colourful chief executives in the media business - Mr Martin Davis, of Paramount (until recently named Gulf + Western), and Mr Steven Ross, of Warner. Together they make Mr Richard Muro, of Time, seem as straitlaced as the magazine that made the company.

Another aggrieved group could be Time's shareholders, some of whom are likely to sue to block their company's offer for Warner. If the hugely leveraged deal is concluded, Time's stock could plunge to about \$110 to \$120 a share, some analysts predicted, representing a substantial loss compared with the Paramount bid.

Moreover, the original Time-Warner stock swap was subject to shareholder approval, but

the cash bid is not. "We believe this attempt to end-run a shareholder vote violates both state law and the rules of the New York Stock Exchange," Paramount said.

In an attempt to shut out other bidders, Time and Warner exchanged blocks of shares yesterday. Time now holds 8.69 per cent of Warner's voting shares and Warner 11.04 per cent of Time.

Time is bidding initially \$70 a share cash for only 100m of Warner's 198m fully diluted shares. It would then buy the rest with a yet to be determined combination of cash, equity and debt worth \$70 a share.

Time said Manufacturers Hanover and Bankers Trust were already committed to lend it \$1.5bn and the two banks have told it they are confident they can raise a further \$14bn to finance the takeover.

Hungarians mourn dead heroes

By Leslie Collett in Budapest

MORE THAN 30 years of pent-up emotions poured out of Hungarians yesterday as they publicly mourned the executed leaders of the 1956 uprising for independence and democracy.

Nearly 250,000 Hungarians packed Heroes Square as six caskets containing the fallen leaders of the Communist world's first major pro-democracy rebellion were laid in state on the steps of the Museum of Contemporary Arts, separated by torches.

The remains of Imre Nagy, prime minister when the Russians invaded in 1956, was in one casket. He was executed in June 1958. Four other caskets contained his aides. A fifth empty casket symbolised 245 other leaders of the uprising executed at Moscow's best.

Imre Nagy, whose show trial and sentence were recently declared illegal by the party, is

expected to be rehabilitated soon in yet another example of the "revisionist" history of mourning, which hung - minus the customary red flags - from the central committee building, government ministries and Budapest's police headquarters could not convince them that the danger of a backlash from party conservatives had vanished.

Inside Budapest's V District police station in Szalay Street, policemen eagerly followed Radio Budapest's broadcast of the ceremony honouring the executed victims of the 1956 uprising. The only reminder that the party had recently altered its view that the uprising was a counter-revolution and its leaders were traitors was a simple inscription "1956", with the names of four policemen killed by citizens, on a wall in the entrance.

From elsewhere in eastern Europe only the Poles were asked to send a delegation, consisting of Solidarity students, while Mr Adam Michnik, Solidarity's foremost theoretician, paid his respects to the victims of 1956. Their uprising followed that of the Poles in Poznan only by months.

Nagy and his associates were reburied yesterday in the Rakoskeresztur public cemetery, Budapest, where they had previously lain in unmarked graves. The burial site is to be declared a national shrine.

As church bells tolled throughout Hungary at 12.30pm, citizens stopped to mark a minute of silence. The national anthem was sung and a reading of Imre Nagy's voice crackled over the loudspeakers on Heroes Square. Few of those present remained dry-eyed.

C&W chairman is made a life peer

By Rachel Johnson

SIR ERIC SHARP, chairman and chief executive of Cable and Wireless, the telecommunications company, is one of three life peers created in the Queen's Birthday Honours list today.

Sir Eric, 72, has presided over a period of rapid growth and a radical change of direction at C&W, involving heavy investments in Asia. In the UK, he has led the development of Mercury as the profitable com-

petitor to British Telecom in the newly-liberalised telecommunications industry.

The other two life peers in the list, which contains the traditional mix of honours for leading figures in a variety of professions, are from the medical field.

Professor Ian McColl, director of the surgical unit at Guy's Hospital, pioneered the introduction of a system at hospitals giving doctors management responsibilities.

Sir John Walton, member and former president of the General Medical Council, the other life peer, is Warden of Green College, Oxford.

Among the 950 awards, Mr Stephen Hawking, one of Britain's leading theoretical physicists and an expert on "black holes", has been made a Companion of Honour.

In the fields of finance and

industry there are knight-hoods for Mr Nigel Athlone, the Government Broker, Mr Brian Corby, chief executive of the Prudential Corporation, Mr Denis Henderson, chairman of KFL, Mr Robert Davidson, managing director of CEC power systems, and Mr Jack Zurek, ex-joint chairman of the Ove Arup partnership.

Mr Horace Francis, ex-president of the Institution of Civil Engineers, Mr Richard Gaskell, president of the Law Society, Mr Simon Gourlay, president of the National Farmers' Union, Mr Hugh Macleod, chairman of the Lloyd's Register of Shipping, and Mr Leonard Peach, former chief executive of the NBS management board, are also knighted.

Among diplomatic awards, Sir Patrick Wright, head of the Diplomatic Service, becomes a GCMG, and Mr Piers Jacob, Hong Kong financial secretary, is knighted.

Among 46 political awards - to which only the Conservative and SLD parties contributed nominations - two senior ministers of state have been made life peers: Mr Charles Paton, Minister for Overseas Development, and Mr Nicholas Scott, Minister at the Department of Social Security.

There are two knight-hoods for long-serving Conservative MPs: Mr Patrick McNair-Wilson (New Forest) and Mr John Hunt (Ravensbourne).

Mr Fred Trueman, the former England cricketer, is among sporting figures honoured. He receives an OBE, Mr Josh Gifford, the jockey, is made an MBE and Mr Ted Croker, the secretary of the Football Association since 1973, a CBE.

Details, Page 3

UK businessmen's inflation worry

By Simon Holberton, Economics Staff

BRITAIN'S senior businessmen are concerned about the country's large trade deficit and the outlook for inflation, but they remain willing to give the Government the benefit of the doubt.

A poll of 500 company chairmen and finance directors, conducted for the Financial Times by ICM Research, shows that businessmen are almost evenly divided about the seriousness of the UK trade position.

A significant minority (32 per cent) believes inflation will peak at above 10 per cent in the current cycle and half of the respondents expect to be making higher pay settlements to employees in the coming year than in the past year.

The poll, which includes 296 respondents in manufacturing industry, discloses a high level of support for UK membership of the exchange rate mechanism (ERM) of the European

Monetary System. More than 70 per cent of the 500 polled said Britain should join the ERM between now and mid-1991, which almost certainly means before the next general election. Nearly 50 per cent said they wanted full EMS membership by July 1990.

There is a wide disparity, however, between what industrialists think is a competitive exchange rate against the D-Mark for British industry. Of the executives in the manufacturing sector, 44 per cent thought a rate at or below DM3 was appropriate, while 27 per cent opted for one higher than DM3.10. Nearly 30 per cent expressed no preference.

Some 54 per cent of respondents said their confidence in Mr Lawson's handling of the economy had gone down compared with a year ago, while 45 per cent said it remained about the same. Some 73 per cent

think the Conservatives will win the next general election. The poll's main findings are: 43 per cent regard Britain's current trade deficit as very serious, 54 per cent as manageable, and 3 per cent as not a problem.

53 per cent think inflation will average 10 per cent, 66 per cent do not.

47 per cent believe inflation in the UK will fall to 3 per cent within three years, 52 per cent think it will take longer.

50 per cent expect to make higher pay settlements in the next 12 months than in the last and 42 per cent about the same.

ICM interviewed directors of companies on June 15 and 16 for the FT. Companies with reported sales of £10m were selected at random from the latest edition of Key British Enterprises. Interviews were conducted by telephone.

Labour Party Continued from Page 1

looking carefully at the implications for their own environmental policies of an unprecedented surge in support for the tiny Green party, which appears to have pushed Mr Faddy Ashtdown's Democrats into fourth place in the European contest.

Despite their radical policies on the economy, on unilateral nuclear disarmament and on the European Community, the Greens attracted disaffected voters from all the main parties.

Mr Kinnoch was yesterday cautious about accepting the

results of a BBC exit poll which showed his party sweeping into a 12-point lead over the Conservatives, with 44 per cent of the vote.

If reflected in the actual poll, such a reversal might have Labour's present total of 32 seats in the Parliament to about 50 and cut the Conservative representation from 45 to 26.

Mr Roy Hattersley, the deputy Labour leader, said the results, taken with the party's comfortable victories in Thursday's by-elections in Glasgow and Vauxhall, would mark an

historic victory for Labour - "a massive step towards achieving a Labour victory."

Labour sees the outcome as confirmation that the Government's handling of the economy, Cabinet splits, and Mrs Thatcher's aggressive style of leadership have now severely weakened its reputation.

At the same time, Mr Bryan Gould, its campaign manager, said that the results provided clear evidence that his party's shift towards the centre following its two-year policy review had won the clear endorsement of the voters.

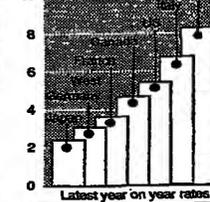
THE FT COLUMN

Praying for a quiet weekend

FT index rose 12.9 to 1,771.8

Group of 7

Annual inflation (%)



220m at most this year off GA's pre-tax profits of (say) £240m. Even the gloomiest analyst would see the group having little trouble managing 15 per cent dividend increases until 1991.

But GA's shareholders scarcely expected to find themselves so deeply immersed in the banking business when they first bought 51 per cent of NZI last summer. To be involved in the turbulent Antipodean financial sector adds an unwelcome extra layer of risk to the group at a time when elsewhere, in the US and the UK, GA's motor insurance profits in particular can expect to face an ever tighter squeeze well into the 1990s. And if GA's business profile is suddenly riskier, it is only reasonable that the shares are yielding prospectively 7.5 per cent gross.

Addison Anyone can be unlucky enough to lose a financial adviser, a stockbroker or a solicitor - but to lose all of these in one day - along with three board members for good measure - is more than simply careless. And though the odd spot of intercompany strife never did Addison's assets any harm they certainly would not be trading at nearly 20 times prospective earnings without it - yesterday's mass defections scarcely do much for the company's reputation. Nobody is suggesting that any impropriety was involved; but five separate sets of advisers have simply decided that doing business with the Addison board was far more trouble than it was worth.

That board has since taken on a wholly different colour. The rout of board members who might have entertained a bid from MAI is now complete.

General Accident

It ever there was a situation proving that banking and non-life insurance do not mix, then General Accident's entanglement with NZI has been it. Some observers will give two cheers when they hear that GA is bidding for NZI outright; it has the attraction, after all, of ensuring that NZI Bank is purged completely of bad debts and bad management.

It is tempting to take a relaxed view about the short term consequences for GA of the NZI imbroglio. The expected goodwill write-off of £50m is small beer for an over-capitalised composite with more than £2.2bn of shareholders' funds. The insurance down-cycle and investment income lost on the £112m cash consideration for NZI will clip maybe

And the new board is effectively controlled by a 25 per cent shareholder who has achieved the happy state of dominance without the bother of actually bidding for the company. Unless Motivation does proceed to a bid - and there is little apparent reason for it to do so - its stake, plus that of the Taylor Nelson directors, must make Addison effectively bid-proof. One can be forgiven for thinking that shareholders ought to have been allowed to make that decision for themselves.

TV companies

Perhaps the IBA will decide in the end to allow hostile takeovers of Britain's independent television contractors. Such a move could well inspire a market which finds it as difficult to value the making of TV programmes as it does to value food brands. But it remains difficult to see the attractions of such hostility: aspiring TV company owners will be able to bid for a franchise on their own account in three years' time; there are unlikely to be any bargains to be had among the existing companies before then, cushioned as they are by the system. Friendly takeovers, which have a higher chance of retaining quality time for more likely, and the IBA has already said they are not ruled out.

Time/Warner

Time's management has its work cut out in explaining to its shareholders how yesterday's revamped merger with Warner - basically the same as the first one, only with lots of debt added - can possibly be better than Paramount's cash. However, the somewhat muted response in the market yesterday suggests it may not come to that. In theory, the merger can simply be pushed through whether shareholders like it or not; but the courts may have a thing or two to say about it before then. Yesterday's suit filed by Time against Paramount was just the start of it: heavy legal traffic in the opposite direction now looks inevitable. In any event, absolutely anything is possible, including new and separate bids for both companies. Now that Time has actually put a cash price on Warner, other bidders may be inclined to beat it. It is making time for the arts; what the companies themselves gain out of it all is doubtful.

CHIEF PRICE CHANGES YESTERDAY

FRANKFURT (Dms)			PARIS (FFrs)		
Diess Bobcock	193.5	+ 7	Esco	2185	+ 34
MAN	315	+ 15	Epeda	1474	+ 84
Nixdorf	314	+ 8	Redoute	3345	+ 45
Mag	350	+ 11	Fals	-	-
Wafa	-	-	Essilor	3395	- 50
Karstadt	582	- 7	Sogerap	380	- 27.6
Lufthansa	184	- 2	TOKYO (Yen)	-	-
NEW YORK (\$)			MILAN		
NCA	58 1/2	+ 1	Aisawa Mig.	2250	+ 280
A.H. Robbins	28 1/2	+ 1/2	Takuma	1080	+ 105
Warner Comm.	58 3/4	+ 3 3/4	Farnatoko-Honey	3340	+ 400
Faib	-	-	Faib	-	-
Paramount	58 1/2	- 1/2	Sekisui Jushi	1080	- 90
Sun Micros.	17 1/2	- 3/4	Nikiso	1310	- 30
Time Inc.	185 1/2	- 3 1/4	Tabel Epoco	2180	- 230

New York prices as at 12.30pm.

LONDON (Pence)			MEPC		
Anglia Sec.	195	+ 11	Parkdale Hdg.	132	+ 11
ASDA Grp.	173 1/2	+ 1 1/2	Wilkinson	225	+ 12
Bocchim	628	+ 10	Wellcome	437	+ 15
Bnt. Aerospace	681	+ 11	Booker	447	- 16
British Land	347	+ 11	Equity & Gen.	27	- 4
Burton Grp.	216	+ 10	Went	824	- 8
Cable & Wire	483	+ 8	Grand Met.	534	- 5
Dalgluy	359	+ 11	Pavilion Leds.	150	- 23
Gl. Portland	31 1/2	+ 10 1/2	Royal Elec.	115	- 7
Greycoat	483	+ 21	Racal Telecom	475	- 27
Land Secs.	568	+ 12	Satchi	286	- 12
Leigh Ints.	332	+ 18	-	-	-

WORLDWIDE WEATHER

City	Temp	Wind	Cloud	City	Temp	Wind	Cloud
Azores	18	W 10	100	Madrid	22	W 10	100
Algiers	22	W 10	100	Moscow	12	W 10	100
Amsterdam	15	W 10	100	Prague	18	W 10	100
Athens	25	W 10	100	Reykjavik	10	W 10	100
Bahia	28	W 10	100	Riga	15	W 10	100
Bangkok	32	W 10	100	Rome	22	W 10	100
Buenos Aires	25	W 10	100	Sao Paulo	25	W 10	100
Burton	21	W 10	100	Stockholm	15	W 10	100
Cardiff	18	W 10	100	Taipei	25	W 10	100
Chengde	25	W 10	100	Tel Aviv	25	W 10	100
Chicago	22	W 10	100	Tientsin	25	W 10	100
Copenhagen	18	W 10	100	Tokyo	25	W 10	100
Dublin	15	W 10	100	Toronto	18	W 10	100
Edinburgh	15	W 10	100	Urumchi	25	W 10	100
Helsinki	15	W 10	100	Yokohama	25	W 10	100
Hong Kong	28	W 10	100	-	-	-	-
London	18	W 10	100	-	-	-	-
Los Angeles	25	W 10	100	-	-	-	-
Lyons	18	W 10	100	-	-	-	-
Manila	28	W 10	100	-	-	-	-
Moscow	12	W 10	100	-	-	-	-
Paris	22	W 10	100	-	-	-	-
Perth	25	W 10	100	-	-	-	-
Port of Spain	28	W 10	100	-	-	-	-
San Francisco	18	W 10	100	-	-	-	-
Singapore	32	W 10	100	-	-	-	-
Sydney	25	W 10	100	-	-	-	-
Taipei	25	W 10	100	-	-	-	-
Tel Aviv	25	W 10	100	-	-	-	-
Tientsin	25	W 10	100	-	-	-	-
Tokyo	25	W 10	100	-	-	-	-
Toronto	18	W 10	100	-	-	-	-
Urumchi	25	W 10	100	-	-	-	-
Yokohama	25	W 10	100	-	-	-	-

C-Cloudy D-Drizzle F-Fog G-Fog-H-Hot R-Rain S-Sunny SH-Show T-Thunder

BANGKOK 28°C 84°F Sunny
Fly Thai 01-499 9113

BI.A. Bond Investments AG
10 Baarerstrasse, 6301 Zug, Switzerland. Telex: 868960 ADVOC H

- Are equity markets, interest rates, and inflation, on the way up or on the way down? Is the £ more likely to fall than to rise?
- Is it now time to move part of your capital into investments denominated in one of the World's strongest currencies - the Swiss Franc?
- In times of uncertainty, many forward-thinking people throughout the World invest in Swiss Franc Bonds and Deposits.
- Now you can buy units in the first overseas collective investment scheme recognised by the Securities and Investments Board under s.88 of the UK Financial Services Act 1986 - B.I.A. Bond Investments AG, Switzerland.

A SAFETY-FIRST INVESTMENT IN SWISS FRANCS

- B.I.A. is a conservative Swiss investment company which for years has catered for private investors and pension funds wishing to hold some of their investments in Swiss Francs.
- B.I.A. provides the benefits of a unitised bond investment in Swiss Francs - its portfolio may only hold first-class Swiss Franc Bonds and Deposits.
- B.I.A.'s anonymous Participation Certificates (units) can easily be bought and sold by investors at Swiss Franc prices quoted daily in the FT. Income is reinvested.
- The Sterling value of B.I.A.'s units will of course increase and decrease depending on changes in exchange rates. The Swiss Franc has appreciated by more than 450% against Sterling over the last 25 years.
- Details are available to investors and advisers from B.I.A., or from its UK Representatives, International Investment Consultants Ltd., who have approved this advertisement.

To: David Burren, Marketing Director, International Investment Consultants Ltd., 38 Finsbury Square, London EC2A 1PX. Tel: 01-638 2540. Fax: 01-628 2472. Telex: 885901 EBSLDNG

Name _____
Address _____
Telephone _____

ASK YOUR FINANCIAL ADVISER ABOUT B.I.A. FT 17/89

Weekend FT

SECTION II

Weekend June 17/June 18 1989

Wounds of war reopened

Memories of the vengeful atmosphere of post-liberation France are again being stirred. Paul Abrahams explains why

AS PAUL TOUVIER, the former head of the intelligence section of the Second World War anti-Resistance Militia in Lyons, lies ill with cancer in a jail hospital, many Frenchmen will be hoping that his illness prevents him being brought to trial.

Although the trial offers yet another opportunity for France to come to terms with its war-time past, the affair is more likely to be seen as damaging French interests. It threatens not only to reopen the still sensitive wounds left by the German occupation but also to re-emphasise the divisions in society — between left and right, church and secular — that have dogged France since the revolution in 1789. In particular, the trial will spotlight the role of the Roman Catholic Church, which has protected Touvier since the liberation of France in 1944.

After Touvier's arrest, the main body of the French Roman Catholic Church was able to avoid immediate criticism because he was discovered under the protection of traditionalists belonging to the Priestly Community of St Pius X, a group led by Mgr Marcel Lefebvre, the excommunicated opponent of reform within the Roman church since the Second Vatican Council, and virulent defender of the Tridentine mass.

It has now become clear, however, that the mainstream Roman Catholic Church is also implicated in Touvier's clandestine existence. A body called the Order of the Knights of Our Lady, which comes under the jurisdiction of Rome, is accused not only of hiding Touvier but also of providing him with financial support. Former resistants have also pointed out that the church played a significant role in obtaining a presidential pardon for Touvier in 1971. The pardon was signed by President Georges Pompidou only after persistent lobbying by Mgr Charles Duquaire, the auxiliary bishop of Lyons, and a Roman Catholic philosopher, Gabriel Marcel.

This support has surprised observers because of Touvier's well-publicised activities in the militia, the organisation set up by Vichy to combat the resistance. The charges he now faces under the heading of crimes against humanity — not covered by the presidential pardon — include his involvement in the execution of Jewish hostages and the murder of the octogenarian president of the League of Human Rights, Victor Basch and his wife, Hélène.

Colourful explanations have been given in the French press as to why the authorities should protect Touvier. These have included a suggestion that he bought his protection in exchange for large quantities of loot acquired from the militia's victims. A popular version is that Touvier blackmailed the Roman Catholic authorities by threatening to publish incriminating material on their activities during the Vichy period. More plausibly, Touvier may have used his position in the last months of the occupation to tip church authorities about imminent arrests.

However, even if Touvier did help the Roman Catholic authorities in



Shaven-headed collaborators are paraded through the streets of Paris following the city's liberation by the Allies in August 1944

the months before the liberation, this assistance does not explain the continued support offered to him over a period of nearly 45 years. A more contentious and damaging explanation for this support is that certain elements of the church had sympathy for the aims, although not the methods, of the militia.

The main reason for that sympathy lies in the situation during the summer of 1944 when there was a widespread expectation that France was heading towards revolution. The introduction of rationing by the Vichy Government, after the debate in 1940, had failed to control the flow of money in wartime France. Class antagonisms had been aggravated as the rich were able to purchase food on black and other markets while the urban poor, in particular, went hungry. Infant and adult mortality rates in cities such as Paris, Lyons and Marseilles soared between 1940 and 1944.

The growth of violent resistance also encouraged fears of revolution. During the spring of 1944, the Vichy Government began to lose control of large parts of the countryside as the resistance movements became increasingly bold. Moreover, it appeared as though the most active parts of the resistance were con-

trolled by the French communist party or confederates.

France seemed to be on the verge of civil war. By the summer of 1944, the British had distributed arms to about 170,000 men, including 20,000 Spaniards. Some of these refused to accept the authority of either Charles de Gaulle, leader of the Free French, or the united resistance command, and owed their allegiance to their local commanders — who were described by the British Foreign Office as "warlords." In some areas after the liberation, the *gendarmerie* refused to leave their stations after dark. One British Foreign Office diplomat wrote that the reports he was receiving on France appeared to describe conditions normally found in civil-war China.

The reaction of the Roman Catholic Church to this growing disorder and chaos was muddled although, in this, it was no different from most Frenchmen. It was difficult to see where the interests of France might lie. "The situation was a strange one: a man's duty might require him to evade the law, and sloth could masquerade as patriotism," wrote one contemporary after the liberation of France. "As a result of this confusion in the elementary notions of right and

wrong, a certain degree of moral chaos could scarcely be avoided."

This confusion was evident in the church's reaction. Some priests encouraged their parishioners to disobey the government and avoid obligatory work service in Germany by hiding in the countryside. A number subsequently joined the armed resistance.

For this advice, and other forms of resistance, many Roman Catholic priests were deported by the Nazis and subsequently died in concentration camps. Other priests, however, continued about the growing disorder in the countryside and aware of the friction between the peasants, who were perceived to be profiteering from the black market, and maquisards — many of whom came from the towns — encouraged people to join the militia. In the region of the Rhône-Alpes, these priests became targets for the resistance. Some were killed by the resistance, others simply ran away. General Doyen, who in the last year of the war was to command the French Army of the Alps, complained in September 1944 that a reign of terror was beginning.

Given this situation, it is less surprising that certain parts of the church were prepared to protect former members of the militia. It was later argued that the militia had foreseen the coming Cold War by recognising the Bolshevik threat as paramount. Indeed, some former militia members have argued that the resistance movements were so damaged that the communists were in no state to seize power at the liberation. In its own terms, the militia saved France — or at least a certain idea of it.

However, a more charitable reason for the decision of the French Roman Catholic Church to protect Touvier may be found in its tradition of Christian Humanism.

The *épuration* — or purge — during the liberation period was at times brutal. Historians estimate that about 10,000 Frenchmen were killed by the resistance in the months just before and after the liberation. Those targeted included members of fascist parties, collaborators and civil servants. Militia members, in particular, were sought out for retribution. In Haute-Savoie, a department in south east France, where Touvier had been a member of one of the pro-collaboration parties called the Parti Populaire Français (PPF), militia members were shot by the resistance after a trial last-

ing less than 24 hours. As they were taken home shouting "Vive le Christ-Roi" and "Vive la France".

In the vengeful atmosphere of post-liberation France, there is little doubt that if Touvier had been caught, he would have been shot too. Jean-Pierre Lefèvre, secretary general of the Fraternity of Our Lady of Mercy, a group associated with the Order of the Knights of Our Lady, has argued that it was out of pity and charity that his organisation helped Touvier.

"I helped out Touvier because he was a hunted man, part of a family in distress, explained Lefèvre in an interview with *Le Monde*, the Paris-based newspaper. "I would have done the same for a communist republican or a member of the FTP (Francs-Tireurs et Partisans — the communist-led resistance)."

The bitterness and stream of accusations about events over 45 years ago may appear incomprehensible to many Anglo-Americans. However, their experiences during the Second World War were very different from those on continental Europe. In British and American collective memories, the Second World War was, as Studs Terkel, the American historian, has argued, the last Good War. In retrospect, it does not contain the later doubts, ambiguities and moral dilemmas of the conflicts in Suez or Vietnam. It was, in essence, an ideological war against fascism. There was a clear choice between good and evil.

Those choices were far more difficult in occupied Europe and the wounds created by the consequences of those choices are still scarcely healed. For historians and novelists, the equally passionate, but slightly more remote subject of the 1789 Revolution to that of the German occupation. Most of the significant academic research into France's war-time experience has come from Anglo-American scholars such as Professor Robert Paxton at Princeton University and Dr Roderick Kedward at the University of Sussex. Such is the sensitivity of the subject that a review by a leading French historian of Paxton's book, *Vichy France*, accused the American of Francophobia.

In France, however, the occupation period remains highly sensitive. Marcel Ophüls' 1969 film *Le Chagrin et la Pitié*, which explored the experience of Clermont-Ferrand during the war, remained banned on French TV until the early 1980s. The trial of Touvier, a Frenchman, threatens to spotlight a delicate period of French history in a far more damaging way than that of Klaus Barbie, the former SS officer who was sentenced to life imprisonment for crimes against humanity in 1987. Indeed, France itself could be on trial rather than just Touvier. "It would be absurd to want to

make this period of French history into the trial of the church," complained Mgr Lustiger, the Archbishop of Paris who is of Jewish descent, when appearing on French television after the arrest. "It is the whole of France that should be at cause. A few months before the entry of de Gaulle into Paris, a million Parisians acclaimed Marshal Pétain. That is the true question."

By showing that France was fundamentally divided during the war, the trial could also destroy one of the sustaining myths of the French post-war settlement — that the vast majority of Frenchmen were united behind the resistance.

The myth of resistance was necessary in the post-war period, because by arguing that the resistance was a significant, popular and mainstream movement, the French could claim the country was naturally republican in a tradition dating back to 1789, that the Vichy fascist experience was an aberration, that France had been one of the Allies throughout the war, and that she had significantly contributed to her own liberation (and in doing so incidentally compensated for the debacle of May 1940). Finally, it allowed her to regain her rank as one of the big five in the post-war settlement.

These sustaining and politically potent myths will probably be challenged by the Touvier trial. His personal archives, kept meticulously after the war, have been sequestered by the magistrats in Paris. Rumours are already flying as to their contents. Not least, the files will highlight the significant role played by many Frenchmen who fought against the resistance.

However, the Touvier trial offers more than an opportunity to reopen old wounds. It also provides France with the possibility of coming to terms with its own past. This process has been remarkably slow. In September 1971, after pardoning Touvier, President Pompidou explained his reasons:

"Our country has had, for a little more than 30 years, national drama after national drama. There was the war, the defeat of 1940 and its humiliation, the occupation together with its horrors, the liberation and the *épuration*, with let us recognise it, all its excesses."

There was the war in Indochina, and next the appalling conflict in Algeria with its horrors on both sides, followed by the exodus of a million Frenchmen chased from their homes (in Algeria) and then the blows of the OAS (*Organisation de l'Armée Secrète*) with its attacks, its violence and the resulting repression (by the state).

"So I feel I have the right to say: are we eternally going to prolong the bloody wounds of our national disagreements? Has the moment not yet come to draw the curtain, to forget these times when the French did not love each other and even killed each other? And I do not say this, even if there are hardened hearts here, for political ends, but out of respect for France."

Eighteen years later, it is clear that time has not yet come. But, if the Touvier trial happens, it could allow Frenchmen, not to forget, but to forgive a little.

The Long View

The slow fuse burning under industry

FOR WHAT is supposed to be a period of squeeze, it has a curious tendency to almost resemble an economic boom.

It is now a year since Nigel Lawson acknowledged belatedly that the British economy was running out of control and started to tighten monetary policy. Since last June, when the volume index rose from 71 to 14 per cent. But the intended results have been disappointingly slow to appear.

Growth in consumer demand has slowed, but retail sales in May were still up 4 per cent in volume terms compared with a year earlier. The economy, generally, appears to be buoyant, with unemployment — admittedly a lagging indicator — falling fast. The trade figures are, of course, dreadful. As for the stock market, share prices are some 15 per cent higher than a year ago.

Equity market strength at this stage of an economic cycle is unusual but, of course, the All-Share Index is still 12 per cent short of its all-time high in July two years ago. The anomalous steadiness of long-dated gilt-edged yields has helped equities. And there has been remarkably little fundraising by companies. But some of this could soon start to change.

What about the economy? Either the Lawson one-club slowdown is not happening or it is happening very slowly. And the problem with using very slow adjustment mechanisms is that you might become so anxious to see

results that you over-correct. The damage, naturally, will then become apparent, only very slowly — too late to prevent it.

Compare the Chancellor's near-empty arsenal with the battery of gruesome weapons employed by his predecessors in the 1960s and 1970s. Consumer credit controls — one-third down and two years to pay on cars — were the first standby, with an instant effect. The "regulator" was a power dating from 1961 to adjust consumer taxes up or down by 10 per cent. Import deposits could be slapped on to prop up the balance of payments. Then, there were the agonising "cuts" as public spending was reined back.

There was a lot more scope elsewhere on the monetary side, too, with special deposits and corsets to restrict the banks' ability to lend, and qualitative guidance from the governor of the Bank of England who would "request" banks to favour industry at the expense of nasty consumer and property business.

Not all of this was as effective as it was cracked up to be. There was a great deal of cheating with the onset, and as for the lending guidelines, I well remember one early-'70s secondary banker, rich temporarily on property financing, telling me that he would love to lend to manufacturers but they couldn't afford his interest rates.

All the same, the paraphernalia of stop-go were well-oiled



Without the battery of stop-go weapons used by previous Chancellors, Nigel Lawson has still to make his squeeze effective

and effective. In the 1980s, we had come to believe that we would never need them again, but that has turned out to be over-optimistic. However, some of the old measures have been

ruled out by European Community membership and by the ending of exchange controls. Tax increases are perfectly permissible but, at this stage, seem to be impossible politically. The big gap is in the area of core controls on the banking system, where urgent thinking is needed.

In retrospect, a shock to the system a year ago might have changed economic behaviour more constructively than reliance on interest rates and reassuring talk of "bolts." But the Treasury has been reluctant to attack its demand-side embarrassments for fear of damaging what it still regards as its supply-side success story. Fixed investment rose some 15 per cent in volume terms last year and will show a further, if smaller, increase for 1989.

So, Nigel Lawson contented himself with a modest attack on the personal sector, mostly through the housing market. With personal borrowing down, it seems likely that last year's extraordinary personal sector financial deficit — estimated at £17.2bn — will be sharply lower this year. But we know that the surpluses of the public sector and the overseas sector are, if anything, even bigger than for 1988. The remaining sector — companies — must be taking the strain.

Already, the corporate sector dipped into deficit in 1988 — by £2.2bn, the first time it failed to achieve a surplus since 1979. The trend is shown more dramatically by the net borrowing requirement of the industrial

and commercial company sector, which stood at a modest £1.5bn in 1984. In the next four years the figure rose to £7.2bn, £11.1bn, £23.6bn and then £41.6bn. Write in your own very big number for 1989.

For the moment, industry seems to be borrowing whatever it needs from the banks. Certainly, the broader monetary aggregates have failed to show any deceleration since Lawson started to turn the screw 13 months ago. Short-term borrowings may be expensive but industry is profitable and finance directors must be confident that, given the steep reverse slope of the yield curve, they will be able to fund their debt on comfortable terms in the long-term markets.

Perhaps this will be so if sterling continues to drift and the Government accepts an inflationary solution to its problems. But what if the Prime Minister digs in her heels? Given a determined attack on inflation, at some stage in the next year a real recession could set in. Industry would be attempting to fund its debts at the same time as the Government's fiscal surplus was evaporating and the Bank of England was no longer propping up the long end of the gilt-edged market.

That could leave the corporate sector facing a very different yield curve, while investors might be forced to realise that weight of money can sometimes be exceeded by weight of stock offerings.

WE MADE YOUR MONEY GROW.

AND GROW AND GROW AND GROW

£1,000 invested less than 15 years ago in the

AND GROW AND GROW AND GROW

Prolific High Income Unit Trust is now worth over

AND GROW AND GROW AND GROW

£30,000. The same sum invested in a building society

AND GROW AND GROW AND GROW

high interest account would be worth only £3,389*

AND GROW AND GROW AND GROW

Ask your financial adviser about Prolific's range of unit trusts, or telephone Angela Phillips on 01-247 6544.

Prolific
FINANCIAL MANAGEMENT

Committed to your investment success

*Figures taken from Launch date 2.9.74. £1,000 invested 5 years ago in the Prolific High Income Unit Trust is now worth £3,291; in a building society high-interest account £1,420. Source: Micropal Limited. Offer to bid basis, net income reinvested, to 1.6.89.

PLEASE REMEMBER THAT PAST PERFORMANCE IS NOT NECESSARILY A GUIDE TO THE FUTURE. THE PRICE OF UNITS AND THE INCOME FROM THEM MAY GO DOWN AS WELL AS UP. PROLIFIC UNIT TRUST MANAGERS LTD. IS A MEMBER OF LAUTRO, IMRO AND THE UNIT TRUST ASSOCIATION.

CONTENTS

Finance: Defeating inflation	III	How To Spend it: goes Green	XXIII	Art	XXV-XXV	Finance & the family	II-VI	Sport	XXVI
Books: Macmillan biography	XVII-XX	Arts: Antique fairs	XXIV-XXV	Books	XXI-XX	Guardianship	XXI	Stock Markets	II
Travel: Christmas Island	XVII	Sports: Polo and cricket	XXVI	Bridge	XX	How To Spend it	XXII	London	II
				Chess	XX	Marketing	XX	New York	II
				Crossword	XXVI	Property	X-XXV	TV and Radio	XXVI
				Dinner	XX-XXVI	Small Businesses	VII	Travel	XXVI

MARKETS

FINANCE & THE FAMILY: THIS WEEK

How best to guard against inflation

John Edwards talks to financial advisers about how best to invest a windfall legacy — bearing in mind the growing evil of inflation. Page III

Cash in on the dollar

The US dollar has risen strongly on foreign exchanges this year. Heather Farmborough examines the options for small investors wishing to cash in on the currency. Page IV

New watchdog for unit trusts

Sara Webb meets John Fairburn, the new chairman of the Unit Trust Association, and finds him intending to "shout loudly about the rewards and the risks" of investing. Page V

Insurers split on drink ban

The move by Pearl Assurance to repudiate any insurance claims made by drivers and make them pay for any damages resulting from an accident has put the cat among the pigeons for Britain's insurance companies. Eric Short reports. Page VI

Plan now to boost your savings

Anthony Casswell concludes his series of articles on independent taxation for married couples with a call to start planning now to maximise your potential savings next April. Page VI

A snub for thinking small

Selling abroad is all things. Recovering your money is quite another. All small businesses that sell low-value items abroad have to face the problem of securing payment without seeing their profits swallowed up by handling charges and currency transactions. Roy Hodson meets one entrepreneur who fought her way through a maze of financial problems. Page VII

BRIEFCASE: Shares gone to the dogs: Page VI

Share price (pence)	Share price (pence)
100	360
90	340
80	320
70	300
60	280
50	260
Dec 88	1989

Is the party over for British Steel?

Privatised British Steel weighed in with a 42 per cent jump in pre-tax profits to £593m for the year up to April. Turnover was up by almost a fifth at £4.91bn. However, some analysts believe that the period of astonishing profits growth for the company might be coming to an end. Production is almost at capacity, steel price margins are no higher than they were last year and it is getting tougher to squeeze out productivity improvements. This might under-estimate underlying profit trends. Profits would have been much higher but for large exceptional charges of £140m, against £36m for the previous year. Actual trading profits were up 65 per cent. Nick Garnett

BAA share price takes a tumble

Shares in BAA — the former British Airports Authority — took a tumble on Tuesday even though the company delivered a 19 per cent increase in pre-tax profits for 1988. The rise from £165m to £196m was bang in line with expectations and the boost to earnings was better than forecasts because of a low tax charge, but the shares dropped by 17p to 341p nonetheless. The reason: the company's intimation that the growth in profits would slow down in 1991 with the opening of a new £355m terminal at Stansted airport in Essex. The shares have recovered somewhat in the past few days, reflecting the fact that 1991 is a long way off. David Waller

Tax change for trusts

Trusts with both UK-resident and non-resident trustees are to be subjected to a more restrictive tax regime. The trustees of these so-called "mixed resident trusts" will be treated as UK resident, unless at the time the trust was set up the settlor was not resident, ordinarily resident or domiciled in the UK. The Inland Revenue practice had already been to tax mixed resident trusts set up under UK law on their worldwide income. However, the House of Lords recently ruled that this practice was not legally correct — hence this week's change. Without the amendment, says the Revenue, it would have been possible for trustees who are all resident in the UK to escape UK tax simply by adding one non-resident trustee and investing overseas. Trusts where all the trusts are resident on the UK, or where none are, will not be affected. Richard Waters

Interest rates take a toll

The current high interest rates are taking their toll on consumer spending and home-owners' savings plans, according to research commissioned by Zurich Life. Borrowers in the 25-34 year age group appear to be the most seriously hit by the increase in mortgage payments, with 70 per cent claiming that high interest rates had affected their lifestyle. Taking all age groups, 36 per cent said that their savings plans had been affected; 27 per cent had decided against buying a new car, and 22 per cent had cut down on going out for a drink or a meal. Furthermore, 18 per cent said that they had altered their holiday plans and 26 per cent had decided against moving home. S W

Companies scramble to join the green bandwagon

THE SIGHT of companies, like politicians, falling over each other to display their "green" credentials has prompted a great deal of applause and a certain measure of cynicism. The environment is the major theme of 1989. Green issues are a key topic of conversation at company presentations where businessmen are increasingly anxious to defend their record. Such sentiments were to the fore earlier this week when the spotlight was on the ubiquitous, non-biodegradable plastic carrier bag — which in any league table of un-green products, would surely be a contender for the championship. However, Alida Holdings, one of Britain's top two manufacturers, and Scott & Robertson, the leading maker of polythene film, managed, when they announced their merger, to accentuate the positive on the environmental front. The combined group, they stressed, would be the country's largest recycler of polythene, mostly using waste from

LONDON
Thankful for small mercies
Footsie advances despite highest inflation figures for seven years

THE HIGHEST retail price inflation figures for seven years and strong evidence of the Labour Party's highest share of the vote in a national election for more than 20 years greeted on Friday by a 14.3-point advance in the FT-SE 100. This lifted the index to a 1.2-point gain on the week to 2143.3.

Had the City gone Red? Had heat exhaustion, aggravated by another one-day Tube strike, finally taken its toll? Or was the market simply thankful for small mercies?

After all the year-on-year rate of inflation in May was only 8.3 per cent. Britain's voting day in the European elections had passed, and base rates remained at 14 per cent, not the 15 or 16 per cent that had been banded about earlier in the week.

The sigh of relief did not suggest that anyone had been convinced by the Prime Minister's increasingly insistent protestations of her "generous" support for the Chancellor. It was a reflection of satisfaction that the dollar's rise appeared to have stumbled over the first effective central bank intervention for some time.

Early on, the pound was trading nearly 2 1/2 cents stronger than Thursday's close, although the greenback promptly regained some of the ground. On the week, starting lost two cents and four pence.

As the fortunes of the Conservative Party appeared to wane, at least for the time being, so did those of the company, bar none, most closely associated with the Thatcher era. Seatchi & Saatchi unveiled interim profits of £20.2m, less than a third the level reported in the comparable half. More significantly, Saatchi said it would "refocus" its business on communications by selling or floating its consultancy arm.

Successful companies were also talking about focusing on owned Rascal Telecom reported pre-tax profits of £177.9m and \$85m respectively.

Base rates remained at 14%, not the 16% banded about earlier in the week

Announcing its first figures as a quoted company, British Steel increased pre-tax profits by 42 per cent to £593m in the year to April, comfortably ahead of the forecast at flotation.

Trading profits were better than estimates but redundancy and rationalisation costs also exceeded expectations.

Another privatised group, the airports operator BAA, lifted pre-tax profits by 19 per cent to £196m, but the shares suffered because of worries about a flattening in earnings growth in 1991 after the opening of a new terminal at Stansted.

Mercury, British Telecom's only nationwide domestic competitor, produced its first profit of £1.5m in the year to March, which overall reported an 18 per cent advance to £420m.

General Accident turned out to be an apt description of the state of affairs at hapless NZL. An after-tax loss of more than NZ\$200m (£120m) at the Kiwi insurance and banking group prompted GA to mount an agreed \$112m bid for the outstanding 49 per cent minority.

Industrial companies had contrasting tales, but none was especially encouraging. Pilkington lifted pre-tax profits by 7.6 per cent to £325.2m and

HIGHLIGHTS OF THE WEEK

	Price y/day	Change on week	1989 High	1989 Low	
FT-SE 100 Index	2143.9	+1.8	2204.7	1782.8	Interest rate nerves.
Alida Hldgs.	340	+65	380	270	Agreed bid from Scott & Robertson.
Ameraham Int.	434	-71	552	426	Results worse than expectations.
Argyll Group	224	+16	224	164	Presentations/institutional demand.
BAA	349	-10	366	264	Co. refutes Stansted dev. costs.
BAT Inds.	663	+33	665	447	US buying on S strength/bid stories.
Beas	996	+29	1003	793	MMC reforms may be watered down.
Brookmount	695	+50	590	470	Agreed bid from Ford Sellar Morris.
Imry Merchant	487	+23	488	405	Continued bid speculation.
Leigh Interests	332	+40	332	225	"Green" companies do well.
Rascal Electronics	515	-33	579	275	Profit-taking.
STC	361	+19	364	261 1/2	Hoare Govett "buy" recommendation.
Seatchi & Saatchi	286	-28	421	262	Poor interim results & comment.
Sturge Hldgs.	256	+20	270	224	Excellent interim figures.
THORN EMI	753	+36	763	625	Notara "buy" recommendation.

WALL STREET

Will we see a soft landing?

Dow Jones Industrial Averages

Day	Index	Change
Monday	2513.94	+ 5.42
Tuesday	2509.54	- 15.30
Wednesday	2508.25	- 0.15
Thursday	2475.0	- 22.36

WALL STREET

Will we see a soft landing?

Dow Jones Industrial Averages

IT CERTAINLY is soft, but is it a landing? This is the question that all investors should be asking themselves after the sudden reversal in the US bond market, the 40-point fall this week in the Dow Jones Industrial Average and the bad news yesterday on May consumer prices.

The main justification for the whole of this year's equity bull market has been the widespread belief that the Federal Reserve Board will be successful in navigating the US economy towards a "soft landing."

But what is a "soft landing"? It is that blissful state in which the economy continues to chug along more or less indefinitely at around its long-term growth potential of about 2 per cent annually while inflation remains stable or even declines gradually.

What makes the "soft landing" so important and attractive to the financial markets, apart from the general desirability of stability and comfort in business life, is that it allows international and domestic economic imbalances to disappear gradually without any disagreeable financial crises.

The moderately strong economy allows the government to grow its way slowly but steadily out of its budget deficits. Corporate and consumer debt ratios subside to safer levels with the expansion of profits and incomes. And international trade returns to better balance as America's trading partners base over international growth leadership from the US.

Unfortunately, the "soft landing" scenario still looks implausible. Certainly the economy is slowing, but there is no reason to suppose that it will "land" in the sense that inflation will subside and financial imbalances disappear.

The scepticism is based on two inter-related reasons. First, inflation has never in post-war history been tamed without a significant decline in economic activity, a big fall in corporate profits and a rise in unemployment — in other words, at least a mild recession.

Second, all of the soundings of political, financial and business opinion in the US suggest that the American public and its leaders in Washington do not intend to let inflation be a serious problem.

In fact, to say that there is no consensus in America for tough anti-inflationary measures would be a gross understatement. It would be more accurate to say that there is no discernible constituency whatsoever that would support any kind of economic sacrifice to get prices under control.

'Companies which take account of green issues are likely to prosper'

A manufacturer that makes equipment for quarrying and construction may seem another rather improbable green candidate. Not so, however, according to the publicity that accompanied the results of Powerscreen International. Powerscreen's equipment recycles waste material on construction sites, "which avoids transporting waste in environmentally sensitive areas and

annual results on Monday. Higher standards benefit large companies as they push the small, under-capitalised players out of the market, it said. Its operating costs had increased by 20 per cent as a result of tighter legislation, but it had been able to push through a 33 per cent rise in prices.

With this new emphasis on environmental issues, ironies abound. Take KLP group, a sales promotion and junk mail company which devoted much of its results press conference on Monday to discussing a metal recycling gun amusement machine to which it has the marketing rights. Old cans, which are crushed, sorted and sent to recycling plants, are used to "pay" for games in the machines, which are based in supermarkets and filling stations on the Continent.

Conserves scarce resources of new materials," it declared.

Perhaps some of the most obvious candidates for green publicity are the waste disposal companies. Waste disposal specialists, like water purifiers and manufacturers of alternatives to chlorofluorocarbons, have seen their shares soar this year.

The reasons for their popularity were emphasised by H T Hughes when it reported its

as some analysts started to observe after the huge rally in bond prices last week. Even if the Fed does not ease its policies deliberately to reignite the economy, Wall Street has already done the ending job for it, by pushing down the demand for interest rates to their lowest level for more than two years.

JUNIOR MARKETS

Hold out for the good times

As Eugene Sherman of the Federal Home Loan Bank of New York argues, the bond market rally last week will soon be followed by a similar housing and hence consumer demand. As a result, the seven-year old economic expansion which began in 1982 will be lengthened, but it will not culminate in a more dramatic conclusion.

SHOULD YOU feel depressed by the dull performance of the Unlisted Securities Market, take heart. According to Ely Hewitt of First Charlotte Assets Trust, it is just a matter of time before it gets a major boost.

rent surge may reflect the revival of the market in January and February. That same surge will have encouraged companies that have been wavering during the gloomy market at the end of last year. However now, some corporate financiers suggest, the economic uncertainty meted out by high interest rates could again have a deterrent effect.

"The market's sentiment to smaller companies will flip suddenly," he predicts. "The more you won't see a number of stocks for dust."

It is perhaps unsurprising that Hewitt, as manager of one of the few USM specialist funds, is beating the drum for the junior markets. None the less, the extent of his enthusiasm is striking.

"There is a trend for people to reconsider flotation," says Linda Comfort, a director of Allied Provincial Corporate Services. In any case, more new issues are due before the end of the summer. One such is Forwell Group, an office interior design company that is being brought to the unlisted securities market by Lloyds Bank and Hoare Govett.

If predictions like these turn out to be right, then the next year will prove a perilous one for equity investors, since stock prices are likely to turn decisively downward six months to a year before the next recession begins.

However, as argued last week, declines in bonds, rather than equities, should give the first signals of the traditional inflationary low-off at the end of the business cycle.

With their blend of creativity and commercialism, interior designers often seem glamorous investments. However, their record on the stock market has generally been unimpressive. All too often they have suffered from poor financial controls, narrow customer bases and vulnerability to delays.

Thus, even if this week's sudden decline in bond prices turns out to be the start of a new bearish trend, there could yet be some things still in store for the stock market — and equity prices could yet top the records they set two years ago.

The statistics back this up. USM shares were on a 30 per cent premium to larger companies at the end of March, compared with a 35 per cent premium two years earlier and a 152 per cent premium back in 1983. (The figures are based on comparisons of the price earnings ratio of the USM funds index to that of the FT "500" index.)

Forwell is determined to buck the trend. Michael Wheller, chairman, emphasises the importance of an interest in commercial and management matters. "A lot of architects have had problems because they are still run as a partnership, not as a business," he says. "Profit is anathema to much of the design world."

Such an attitude would prevent the satisfactory funding of environmental protection, argued Henderson. Society must decide where the balance lay, between total environmental purity on one hand and the need for wealth creation on the other, he said.

Another strong performer was Alan Paul, the Liverpool-based hairdresser, which is trading 14 per cent higher than its placing price of 140p, after having launched as high as 156p on the first day of trading.

Wheller concedes that Forwell does not have a huge client list. This year Prudent-Bache, the US broker, will account for a tenth of turnover while General Electric of America is the largest client with 15 per cent of turnover. But he insists that Forwell's active marketing programme will avoid any "limpiness" in its order books.

On the same day, Denys Henderson, chairman of ICI, touched on perhaps the biggest issues for companies concerned about the environment. Global warming, perceived as the biggest and most serious environmental issue, has highlighted the possibility of drastic measures that could even extend to suppressing economic growth.

Such an attitude would prevent the satisfactory funding of environmental protection, argued Henderson. Society must decide where the balance lay, between total environmental purity on one hand and the need for wealth creation on the other, he said.

Another cause for concern might be Forwell's concentration on the City, which accounts for about a third of its business. If business falls to pick up for City firms, refurbishing costs — which are about £20 to £30 a square foot — might seem an obvious area for economy.

For the City, environmental issues have become something of a bandwagon, with companies scrambling to make the most of marketing opportunities. However, nobody can ignore the unpleasant side of the issues which, at the least, will incur substantial costs.

On Wednesday, ICI announced that it was setting up a new environmental monitoring system for its plants in a drive to cut pollution. "In the past at ICI we have tried to keep ahead of public opinion in this area but we realise now that we are not living up to what the public expects," said Chris Hampson, its environmental director.

Wheller, however, is under-terred. In his experience, an interior designer can benefit even from retrenchment in the City. When one of its clients decided to cut back its operations after the 1987 Crash, the upshot was that Forwell revamped two premises for the same client within a year.

As James Capel points out in its newly-published "Green Book" of investment research (printed, of course, on recycled paper), the result is the same whether green policies are the result of conviction or a cynical exploitation of what the customer is looking for. "Companies that understand this movement and take it into account in their planning are likely to prosper at the expense of those that do not."

Another strong performer was Alan Paul, the Liverpool-based hairdresser, which is trading 14 per cent higher than its placing price of 140p, after having launched as high as 156p on the first day of trading.

Wheller, however, is under-terred. In his experience, an interior designer can benefit even from retrenchment in the City. When one of its clients decided to cut back its operations after the 1987 Crash, the upshot was that Forwell revamped two premises for the same client within a year.

On Wednesday, ICI announced that it was setting up a new environmental monitoring system for its plants in a drive to cut pollution. "In the past at ICI we have tried to keep ahead of public opinion in this area but we realise now that we are not living up to what the public expects," said Chris Hampson, its environmental director.

Another strong performer was Alan Paul, the Liverpool-based hairdresser, which is trading 14 per cent higher than its placing price of 140p, after having launched as high as 156p on the first day of trading.

Wheller, however, is under-terred. In his experience, an interior designer can benefit even from retrenchment in the City. When one of its clients decided to cut back its operations after the 1987 Crash, the upshot was that Forwell revamped two premises for the same client within a year.

Such an attitude would prevent the satisfactory funding of environmental protection, argued Henderson. Society must decide where the balance lay, between total environmental purity on one hand and the need for wealth creation on the other, he said.

Another strong performer was Alan Paul, the Liverpool-based hairdresser, which is trading 14 per cent higher than its placing price of 140p, after having launched as high as 156p on the first day of trading.

Wheller, however, is under-terred. In his experience, an interior designer can benefit even from retrenchment in the City. When one of its clients decided to cut back its operations after the 1987 Crash, the upshot was that Forwell revamped two premises for the same client within a year.

Such an attitude would prevent the satisfactory funding of environmental protection, argued Henderson. Society must decide where the balance lay, between total environmental purity on one hand and the need for wealth creation on the other, he said.

Another strong performer was Alan Paul, the Liverpool-based hairdresser, which is trading 14 per cent higher than its placing price of 140p, after having launched as high as 156p on the first day of trading.

Wheller, however, is under-terred. In his experience, an interior designer can benefit even from retrenchment in the City. When one of its clients decided to cut back its operations after the 1987 Crash, the upshot was that Forwell revamped two premises for the same client within a year.

Such an attitude would prevent the satisfactory funding of environmental protection, argued Henderson. Society must decide where the balance lay, between total environmental purity on one hand and the need for wealth creation on the other, he said.

Another strong performer was Alan Paul, the Liverpool-based hairdresser, which is trading 14 per cent higher than its placing price of 140p, after having launched as high as 156p on the first day of trading.

Wheller, however, is under-terred. In his experience, an interior designer can benefit even from retrenchment in the City. When one of its clients decided to cut back its operations after the 1987 Crash, the upshot was that Forwell revamped two premises for the same client within a year.

Such an attitude would prevent the satisfactory funding of environmental protection, argued Henderson. Society must decide where the balance lay, between total environmental purity on one hand and the need for wealth creation on the other, he said.

Another strong performer was Alan Paul, the Liverpool-based hairdresser, which is trading 14 per cent higher than its placing price of 140p, after having launched as high as 156p on the first day of trading.

Wheller, however, is under-terred. In his experience, an interior designer can benefit even from retrenchment in the City. When one of its clients decided to cut back its operations after the 1987 Crash, the upshot was that Forwell revamped two premises for the same client within a year.

FINANCE & THE FAMILY

Do financial advisers have all the answers? John Edwards asks them a testing investment question

How do you guard against inflation?

HOW DO savers protect themselves against inflation? With this week's confirmation that the official annual rate of inflation has now risen to 8.3 per cent, the highest since July 1982, this is a worrying problem that has started to come to the forefront again. How do you invest surplus funds at a time when the value of money is dropping?

We asked a selection of different financial advisers

what they would suggest for an investor who received a windfall legacy of around £50,000. Obviously, in real life the advice would be dependent on the individual circumstances and requirements of each investor, but we choose two examples.

In one case the investor is 35 years old, married with children, and pays income tax at the top rate of 40 per cent; in other words has over

£20,701 a year in taxable income.

The second example was of a 60 year old, also married but with no dependent children, who is a basic rate taxpayer.

It is assumed that normal arrangements have already been made for pensions and using up available tax allowance, so the £50,000 represents surplus money suddenly available.



Recommendations for a 35-year-old

Analysis Financial Services, of Harrogate, Rensley Street, favours index-linked gilts, since he says they reflect the current expectation of higher inflation, unlike international savings certificates. He advocates £15,000 going to the Killick & Co old- and new-style PEPs; £5,000 (the maximum) by husband and wife into National Savings Index-linked bonds; £10,000 Legal & General Bond unit trust to provide a spread of fixed interest investment and £14,000 divided equally between M&A American, Fidelity European and MIM Britannia Japan Smaller Companies.

specific without more details of the investor's aspirations and attitude to risk. But the portfolio would probably include a mixture of equities, 40 per cent; index-linked gilts and cash in a building society.

Hargreaves & Lansdown, Bristol based intermediaries, Stephen Lansdown recommends £10,000 into PEP plans, with emphasis on capital growth. £30,000 into five growth unit trusts consisting of £7,500 each in Barclays Unicorn American Recovery and MIM Britannia Japan Performance, plus £5,000 each in Morgan Grenfell European, Thornton Tiger, and TR Special Opportunities. He also suggests £10,000 in an investment trusts portfolio.

Linda Lines Partnership, London consultants, Anthony Walters says husband and wife should each invest £5,000 into 4th National Savings Certificates. Put £9,000 in a deposit account with a building society in the wife's name, but use National Savings Investment Association if the wife's personal tax allowance hasn't been used. £10,000 into Treasury 2 per cent index linked 1996 stock. £15,000 into Personal Equity Plan, with £5,000 in old-style PEPs invested directly into shares; and £9,000 in new-style PEPs split equally between unit trusts and four or five "blue chip" shares. Remaining £6,000 used to buy Morgan Grenfell European Trust and MIM Britannia Japan Performance Trust - £3,200 in each.

Towry Law, Windsor-based financial advisers, John Bridel assumed couple already has some cash in building society account. For the £50,000 he

suggests putting the maximum possible (just over £25,000 for married couple) into a Personal Equity Plan, with the emphasis on capital growth investments. Next £25,000 into unit trust growth portfolio mainly overseas to complement the PEP holding. This would have a geographic weighting of 45 per cent in the UK, 30 in Far East, 15 in Europe and 10 in North America. Last £10,000 into endowment/annuity plan to provide secure growth and tax-free income after 10 years.

Possible alternatives are the capital prepayment of school fees or purchase of assurance bonds to roll-up free of personal tax in case you are a basic rate taxpayer in later life.

Whitechurch Securities, Bristol-based intermediaries, Kean Seager says any portfolio should have 25 per cent in cash, preferably in a building society, and the remaining 75 per cent mainly in the UK market, including a spread of low risk and split capital investment trusts.

Wise Speke, part of the Newcastle-upon-Tyne based stockbrokers owned by the Sturge group, Chris King assumes that no spendable income is required and the investor wants long-term growth so is therefore prepared to take some risk.

To provide security £10,000 would go into index-linked National Savings and £10,000 in Zero Coupon Preference Shares giving no income but locking into high interest rate of 12.5 per cent compound growth annually over 10 years. Remaining £30,000 would be put into a managed portfolio of shares, including £15,500 into a Personal Equity Plan.

Recommendations for a 60-year-old

Analysis Financial Services: Maximum investments in new style Killick PEP of £4,800 each and £5,000 each in National Savings index-linked bonds. £15,200 divided equally in three unit trusts - Prolific Extra Income, Fidelity Growth & Income, and Mercury American Income. Balance of £20,000 invested in five-year temporary annuity on wife's life to produce £400 per month net, which would be used to fund contributions to PEPs and pension arrangements. Basic strategy is that while fixed interest and index-linked investments have a part to play, the key in the battle against inflation is a spread of equities providing the only real potential for increasing income and capital values in the longer term.

Capel-Care Myers Capital Management, Purchase temporary annuity to provide income. The balance invested into a varied mixture of shares, including high yield funds. Guaranteed income bonds not favoured, since there is a problem in replacing income once the bonds reach maturity.

Chase de Vere Investments. Some cash in building society. Consider annuity, possibly paying for lifetime, bearing in mind that this could be advantageous in reducing Inheritance Tax bill for your heirs. Equity investment concentrated on shares producing more income.

Ernst & Whinney Financial Services, emphasis on limiting risk. Consider high coupon gilts; guaranteed income bonds

as well as retaining proportion of cash in a building society. Use about 50 per cent of portfolio to invest in shares to maintain growing stream of income and maintain balance on assets.

Hargreaves & Lansdown. Portfolio divided into four sectors: £5,000 in building society; £15,000 in guaranteed income bonds making £20,000 in risk-free investments. Out of remaining £30,000, nearly £5,000 into Scottish Amicable income PEPs and £25,000 in four income unit trusts - M & G High Income; Aetna Smaller Companies; M & G Extra Yield and Prolific High Income providing monthly dividend payments for 10 months of the year.

Linda Lines Partnership. £5,000 each into 4th index-linked National Savings certificates; £12,000 in high interest deposit account, either building society or National Savings investment account depending on whether wife is using up her tax allowance or not; £8,000 into Treasury 2 per cent 1996; £2,400 into new-style Personal Equity Plan, possibly MIM Britannia's TaxBreak. If wife would not be utilising personal tax allowance when independent taxation comes in next April then £8,000 into National Savings Capital Bond and remaining £8,200 into Prolific Extra Income unit trust (£4,000), Mercury European (£2,200) and Kleinwort Barrington Smaller Companies Dividend (£2,000). If wife using tax allowance, then £3,000 each

into EFM High Distribution and Morgan Grenfell International Growth.

Towry Law. It is assumed investor already has some cash into a building society account. Maximum of £15,000 into a high income variety of Personal Equity Plan. £20,000 into unit trusts, split £12,000 into UK monthly income portfolio and £8,000 overseas funds. £5,000 into index-linked National Savings; rest into assurance bonds with equity income distribution.

Possible alternatives include guaranteed growth bonds or assurance/annuity scheme that can provide a guaranteed net income of 13.9 per cent to basic rate taxpayers for impending retirement in five years time.

Whitechurch Securities. Divided into three sectors. One third in building society; one third in guaranteed income bonds maturing in three to five years; remainder into shares, unit and investment trusts. Philosophy is that the return on equities will be sufficient over the long-term to compensate for the impact of inflation on the income producing investments.

Wise Speke. Assumption made that income is needed and not too much risk can be taken. £10,000 in index-linked National Savings; £20,000 into high income producing vehicle such as a guaranteed income bond or the Warren gilt plan. Remaining £20,000 invested in a managed PEP (£15,000) and £4,400 in unit trust - M & G Dividend or M & G Midland.

Go for Abbey shares, says City

IF YOU are an Abbey National building society member, you will hardly need reminding that it has set a 130p per share price-tag on its stock market flotation next month.

This means that, if you are one of the 5.6m people who are eligible (in other words an employee or account holder), you are guaranteed 100 free shares worth £130, or 200 (worth £260) if you are both a saver and a borrower for.

The main thing to remember is that, since Abbey is not offering shares outside the society, the 130p price has nothing much to do with the expected market value of the shares. In arriving at it, Abbey's main concern was how to divide up the £1bn-odd worth it wished to raise in such a way as to make the offer look attractive to members.

Analysts' forecasts suggest the prospective p/e at the offer

price is about 5, and, more importantly, the prospective yield is about 8.5 per cent. The terms, which also provide a 23 per cent discount to net asset value, look generous indeed against comparable shares like the clearing and Scottish banks, and the TSB.

Just to bring them into the correct relationship with their peer group, the shares should rise to 150p-160p. Early on, demand for returning applications (because of the nature of their funds) to hold shares in the FTSE 100, which Abbey will join, will help sustain the upward price pressure.

Institutions, moreover, will not be able to ignore the Abbey and this should provide a useful underpinning to the price in the longer-term.

All in all, it looks well worth foregoing the interest you would otherwise receive if you are taking money out of your savings account to pay for the shares, and enduring the small aggravation of having to fill in the application forms.

It would probably be prudent, however, to wait until a little closer to the June 28 deadline for returning applications to branches (or June 29 by post) just in case something very nasty happens to the stock market in the meantime.

Clare Pearson

Dealing service

ABBEY NATIONAL is launching a seven-days-a-week sharedealing service for its employees and qualifying members who want to buy or sell their shares, writes Sara Webb. Abbey National Sharelink starts running on July 12 and charges the following commissions:

- £12 plus VAT on shares worth up to £1,600;
- 0.75 per cent, subject to a maximum of £40, plus VAT on shares worth between £1,600 and £10,000; and
- £40 for the first £10,000 plus 0.5 per cent on the remaining shares above that level.

If you want to sell your Abbey National shares, you simply sign and date the two forms which are sent out with the share certificates and return the share certificate

to the Abbey National Sharelink service. If you only want to sell part of your share allocation, you will receive a new share certificate at no extra charge.

In cases where up to four members of a family each have their own share certificates, you can sell them all together in one batch and only pay one commission, although there is still an administrative charge of £1.50 and VAT for each extra certificate.

When it comes to buying, members can buy up to £3,000 in Abbey National shares over the telephone.

Everyone will receive an explanatory booklet about sharedealing with their share certificates. In addition, there will be a telephone helpline service, and a 24-hour price information telephone line.

Money Market Cheque Account from Bank of Scotland.

THE ULTIMATE HOME FOR ALL YOUR MONEY. INTEREST CREDITED MONTHLY AND SO ACCESSIBLE WITH NO PENALTY FOR EARLY WITHDRAWAL.

- Compare the benefits with your existing investments. Do you enjoy—
- High interest linked to Money Market rates
- No notice of withdrawal
- A cheque book for easy access—(no cumbersome withdrawal problems)
- Easy lodgement of additional funds
- A Bank of Scotland Visa Card*
- The security of a major UK clearing bank
- A monthly income facility with interest paid to any UK bank account.

ADDITIONAL DETAILS

- The only requirements are that your opening balance is over £2,500 and that any transaction through the account (except Visa payments) is over £250
- Cheques may be made payable to third parties
- Statements are issued quarterly, or more frequently if you wish
- Interest rates are variable and published daily in the Financial Times and Prestel, page 3951128.

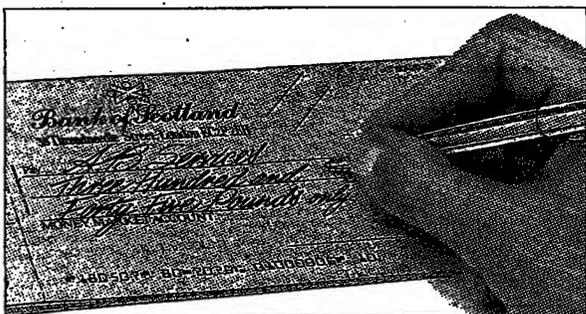
TO OPEN YOUR OWN MONEY MARKET CHEQUE ACCOUNT...

Simply complete the coupon, enclose your cheque, and post to: Bank of Scotland, FREEPOST, 38 Threadneedle Street, London EC2B 2BB.

An acknowledgement of your deposit will be sent by return and your cheque book will follow a few days later.

Bank of Scotland Money Market Cheque Account.

* Subject to status and permanent UK residency.



- Available throughout the UK
- No need to have another account with us
- Interest is calculated daily and either applied monthly to your account or credited to any UK bank account
- The first nine debits per quarter are free of charge, thereafter a charge of 50p per debit will apply
- Money Market Cheque Account is available through Home and Office Banking (HOBS) another leading service from Bank of Scotland. (Tick box for details.)

10.01%	=	10.49%	=	13.99%
Net Rate		Net Compounded Annual Rate taking account of monthly interest remaining invested.		Gross Compounded Annual Rate to Basic Rate taxpayers.

Customers entitled to Gross Interest (Not ordinarily available to individuals who are UK residents).

12.80%	=	13.58%
Applied Rate		Compounded Annual Rate taking account of monthly interest remaining invested.

To: Bank of Scotland, FREEPOST, 38 Threadneedle Street, LONDON EC2B 2BB.

* I/We wish to open a Money Market Cheque Account.

* I am/We are aged 18 or over.

* I/We enclose a cheque made payable to Bank of Scotland for £ _____ (minimum £2,500).

Full Name(s) _____

Address _____

Postcode _____

Signature(s) _____

Date _____

For joint accounts, all parties must sign the application but only one signature will be required on cheques. Should the cheque not be drawn on your own bank account please provide details of your bankers opposite.

My/Our bankers are _____ Bank

Branch _____

Account Number _____

Please apply interest to my/our Money Market Cheque Account.

Please credit interest to my/our account no. _____

Sort Code _____ FT 17/6

Please send me your Home and Office Banking (HOBS) information pack.

For further information and full terms and conditions, tick box or ask for FREEPHONE 8494.

BANK OF SCOTLAND
A FRIEND FOR LIFE

£10,000 OR MORE IN SAVINGS OR EQUITIES? YOU SHOULD CONSIDER ACTIVE MANAGEMENT

Do you have the suspicion that, given proper professional attention, your investments could be working much harder?

Bell Noble Elliott have developed an investment service to provide just this kind of attention.

We call it *Active Management*.

OUR APPROACH

By actively managing your portfolio on a *daily* basis, we aim to deliver above-average returns over the medium-term.

We do this by spreading your investment through a mix of opportunities, actively taking advantage of changing investment conditions.

Our strategy can be categorised as "medium risk".

Every month, we send you an account detailing your personal holdings and, of course, their current value.

We also include a separate investment commentary to give you an insight into the market and our investment strategy.

REASSURANCE

Bell Noble Elliott is a subsidiary of Burton Group Financial Services plc.

For our services we charge a fee, based entirely on the value of the funds invested. This way, we only earn more when you do.

You should, of course, be aware that, as with all risk-based investment, the value of your investment can go down as well as up.

But, importantly, all our clients' funds are checked by an international firm of auditors, *every month*.

If you'd like to know more about Active Management, return the coupon to us and we'll send you an information pack. Or you can telephone the number below.



To: Bell Noble Elliott, FREEPOST, Central Exchange Buildings, 128 Grainger Street, Newcastle upon Tyne, NE1 5AF. Telephone: 091 232 9085. Please send me more details about Active Management.

Name (Mr/Mrs/Ms) _____

Address _____

Telephone no. at which I can be contacted _____ or tick here if you do not want to be contacted by phone

Bell Noble Elliott (Brokers) Ltd. Reg. No. 1082196 England. Registered Office: 214 Oxford St, London W1N 9DF.



FINANCE & THE FAMILY

THE WEEK AHEAD

Family connections pay off

COMPANIES WITH connections - all sorts of them - dominate the list of progress reports expected next week. The corporate week is fairly quiet, although Kleinwort Benson's UK Action Weekly offers other attractions. In four days of Royal Ascot plus the opening of the second Test at Lords.

Some of the corporate links have been in the news already with results of their own giving brokers' analysts an opportunity to update their estimates for their bigger brethren. For example, Hambros Bank is due to bring out its results on Monday.

A year ago, Hambros absorbed the 25m impact of the October 1987 Crash, and a halved contribution from the C.E. Health insurance broking associate, with group profits up 15 per cent to £70m before tax. The biggest part of the increase came from its 23 per cent stake in Hambro Countrywide, the estate agency company formed three years ago.

This year, there has been recovery at Heath, which reported a 20 per cent increase in profits to £24m three days ago. Unfortunately, Hambro Countrywide saw its profits down from £24.6m to £20m for calendar 1988, a year in which it should still have been easy to make money.

Estimates for the Hambros group take in a small decline to £67.5m pre-tax for 1988-89; but hopes of a return to growth

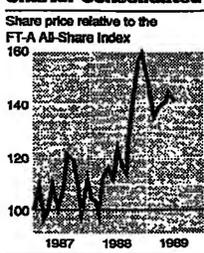
in the current year have been dashed by the slump in the residential property market, which has led analysts to slash their 1989 forecasts for Hambro Countrywide from a profit of more than £15m to a £10m loss.

Tuesday's results from Meyer International, the builder and timber merchant which has prospered mightily as small builders showed their preference for service and a range of lines, were preceded a couple of months ago by a "progress" report from Travis Perkins.

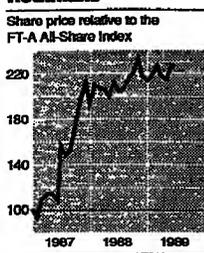
Meyer got a 21 per cent stake in Travis when its offer for Travis & Arnold failed last June and the latter, as planned, went through with an agreed merger with Sandell Perkins. In April, Travis said that there had been a marked slowdown in business in the first three months of 1989; this, said observers, did little to Meyer's chances of selling its holding. It also affected views of Meyer's prospects.

Recent noises from Phoenix Timber, Erith and Gibbs & Dandridge have also been as bullish; and the Building Materials Federation showed

Charter Consolidated



Rothmans



lower sales in its April statistics, says Mark Gibbon of BZW Research. So, while the brokers are going for a 25m rise in profits for 1988 for last year, they are cautious about current year prospects.

Charter Consolidated, 36 per cent owned by Minorco, found itself with a new chairman in Minorco's Sir Michael Edwards last November, as Harry Oppenheimer's Anglo

American-De Beers South African mining empire did a management reshuffle.

Famous for skating on banana skins in the earlier 1980s, Charter had been moving well in the market since 1985. It lifted its 1987-88 profits by 31 per cent to £55.4m before tax, helped by a rise in its stake in Johnson Matthey to 38 per cent and interest received from a £190m cash position.

This year JM has been little better than flat at pre-tax profit level (the results came out on Thursday) but Bob Davies of Shearson Lehman Hutton expects Charter to show a further rise on Wednesday from its interests in rail track equipment, building products and industries services; his estimate is an increase of just under a fifth to \$65.2m.

He thinks it unlikely that the bid prospects in the share price, speculating on a South African move for full control after Minorco's failed bid for Consolidated Gold Fields, are going to be realised.

Similar speculation, meanwhile, has played around Rothmans International, which has a near dominant influence in the 33 per cent of the equity and 43 per cent of the votes held by Compagnie Financière Richemont, the company set up by the South African tobacco-based conglomerate last year as a European home for its international interests.

Paul Burke of Kleinwort Benson Research expects Rothmans to move up from £28m to £32.8m before tax on Wednesday.

and indicate net cash resources of £500m, or 30 per cent of the company's stock market capitalisation. He thinks that its "glit edged" equity investments in Dunhill and Cartier will have been the main contributors to last year's growth.

The biggest, and some say the dullest, fish of the week comes up on Monday when BET should fall into an analysts' range between £268m and £276m before tax, against the £216m it reported a year ago.

Some people blame this on the fact that BET, a conglomerate, has not made a big, glamorous and possibly American acquisition recently. However, the way people see the group may also relate to what it is doing. The management is aiming to focus its expansion on the service sector. Observers say that the underlying theme of customer companies contracting out of their service requirements and giving them to service specialists does seem to be a practical proposition in the US.

However, BET's pursuit of that theme by acquisition has led to a series of relatively small deals in cleaning companies, textile rental, janitorial services and the like. Individually, its Argus publishing disposal for more than £200m last year was bigger than a handful of its purchases.

William Cochrane

PRELIMINARY RESULTS			
Company	Year to	Pre-tax profit (£m)	Dividends per share (p)
Altracorp Group	Mar	3,040 (2,580)	19.3 (16.5)
Alexon Group	Mar	15,030 (9,513)	35.0 (29.5)
Alphabetic	Mar	1,290 L (4,640)	(19.8) 2.0 (3.5)
Amerham Int'l	Mar	21,440 (25,270)	25.5 (32.6)
BAA	Mar	198,000 (166,000)	27.4 (21.0)
Balfour Beatty	Mar	6,530 (3,720)	27.6 (24.3)
Bridgford Group	Dec	447 (810)	23.0 (20.5)
British Steel	Apr	5,470 (2,910)	12.4 (9.77)
Bromsgrove Ind.	Mar	11,480 (5,240)	26.3 (23.7)
Brookmount	Mar	2,950 (6,917)	7.8 (23.7)
BSS Group	Mar	12,240 (10,129)	42.1 (34.9)
Business Int'l	Mar	2,350 (3,920 L)	9.9 (-)
Cable & Wireless	Mar	420,000 (356,000)	27.9 (24.0)
Cambridge Inst.	Mar	5,880 (3,488)	5.49 (3.11)
Cape Industries	Mar	13,570 (9,550)	22.8 (17.7)
Color Affin Hdg	Apr	6,000 (7,150)	6.7 (9.4)
Continuity Trust	Dec	1,070 (610)	6.7 (9.4)
Chancery	Mar	6,800 (4,900)	22.7 (17.5)
Chloride Group	Mar	12,200 (18,200)	0.9 (3.7)
Claythorpe	Mar	4,120 (2,860)	16.0 (11.1)
Cohen A	Dec	4,280 (3,300)	19.2 (14.0)
Communication Co	Dec	245 (17 L)	2.02 (-)
Cropper James	Apr	1,950 (1,000)	10.3 (9.8)
Darby Group	Feb	1,950 (1,000)	10.3 (9.8)
Dawson Int'l	Mar	43,050 (47,010)	18.1 (20.6)
Eiga Group	Mar	592 (841 L)	3.37 (4.6)
EMAP	Mar	33,550 (25,040)	19.2 (12.2)
Empress Indust.	Apr	13,080 (11,390)	27.1 (22.7)
Garner America	Mar	1,170 (571)	4.42 (2.19)
Grand Central	Dec	2,010 (1,110)	5.1 (3.4)
Harrison Ind	Mar	2,040 (3,220)	10.7 (21.2)
Health CE	Mar	24,100 (20,083)	31.6 (26.1)
Hickling Peats	Mar	723 (369)	10.7 (6.8)
Hughes HT	Feb	1,890 (1,400)	6.0 (3.5)
Image Storage	Mar	1,440 L (1,670)	2.94 (2.41)
Investment Co	Mar	64,400 (60,600)	28.4 (24.8)
Johnson Matthey	Mar	3,600 (4,000)	17.8 (20.1)
JS Pathology	Apr	1,600 (1,300)	7.5 (10.5)
Leas & Starchett	Apr	2,180 (1,820)	3.26 (2.59)
Locker Thomas	Mar	33,700 (31,500)	17.9 (17.5)
Lyons Irish Hdg	Mar	5,580 (5,270)	33.2 (29.7)
Mansfield Brew.	Mar	8,950 (9,930)	41.6 (25.2)
Marine Dev	Mar	4,100 (3,100)	18 (9.1)
Mercury Asset	Mar	42,100 (36,200)	41.6 (39.0)
W&G Second Dual	May	2,600 (2,100)	18.8 (16.6)
New London	Mar	796 L (771 L)	6.51 (5.98)
New Transportation	Mar	1,520 (1,520)	15.0 (15.0)
Northern Foods	Mar	85,300 (77,300)	27.4 (24.7)
PKKington	Mar	325,200 (302,300)	27.3 (26.2)
Property Partner	Mar	1,300 (1,170)	12.3 (10.6)
Presenting	Feb	21,500 (21,500)	29.6 (27.6)
Racal Electronics	Mar	177,940 (137,940)	18.4 (14.4)
Racal Telecom	Mar	85,000 (37,000)	6.21 (2.58)
Reflex Invest.	Apr	1,270 (564)	8.1 (5.19)
Regalium Prop.	Mar	25,580 (22,680)	15.0 (16.5)
Safelord	Mar	1,130 (9)	9.8 (4.9)
Salverson Christ.	Mar	52,350 (46,740)	12.0 (10.8)
Scape Group	Mar	39,250 (35,700)	29.3 (27.4)
Shaw Arthur & Co	Apr	1,150 (850)	10.1 (8.4)
Sonic	Mar	384 (344)	8.4 (11.2)
Starkey Indust.	Apr	21,500 (18,100)	20.2 (16.1)
Tass John Group	Mar	2,360 (2,140)	8.25 (7.41)
TGI	Mar	4,220 (3,900)	16.7 (12.7)
Unigate	Mar	100,500 (94,000)	29.6 (27.6)
Vesper Thornhill	Mar	10,300 (11,250)	21.6 (19.1)
VSEL Consortium	Mar	17,080 (17,640)	44.1 (49.3)
Wackenhut John	Apr	20,140 (17,580)	18.8 (17.5)
Wardlaw Drsg	Mar	11,500 (11,500)	33.3 (31.2)
Wendell Roberts	Mar	1,850 (1,180)	8.0 (5.8)

Golden opportunity for share dealing

COMMISSION-FREE share-dealing is a boon for small investors. Starting next month, savers with the Cheltenham & Gloucester who have more than £5,000 in a Cheltenham Gold Account can use the building society's share-dealing service free of commission, although they will still have to pay stamp duty and a contract levy of 60p on larger deals.

The offer will initially run for the month of July, so you can use it for your Abbey National shares if you want, but may be extended. Otherwise, if you have less than £5,000 in your Cheltenham Gold Account, there is a minimum commission of £24 for buying and selling up to £2,400 in shares, and 1 per cent on transactions above that threshold and below £10,000.

GIROBANK launched its Key-way interest-bearing current account this week, paying interest at a rate of 6 per cent net on all accounts kept in credit.

It offers a combined £100 cheque guarantee and VISA card, and a range of £12 a month for retail transactions and 25.3 per cent for cash advances.

However, if you overdraw on your account, Girobank imposes a quarterly administration charge of £12 and an interest of 1.7 per cent a month (or 2.1 per cent a month if you don't ask for permission).

FOLLOWING Lloyds bank's bid last week to extend its custom, Barclays has come up

with its own package of goodies. Savants who open an account with the bank either receive £15 in cash or a £30 voucher to spend on clothes and accessories from the Next Directory.

Barclays offers student customers overdrafts of up to £250, charging interest at 1 per cent above the base rate. Those who apply for (and receive) a Barclaycard get a free personal stereo or sports holdall.

LEGAL & GENERAL launched two index or "tracker" funds this week - one investing in Japan, the other in Europe - both of which aim to follow the appropriate FT index for the market.

The minimum investment is £1,000 and there is an initial charge of 5 per cent. The annual management charge is 0.75 per cent.

HENDRICKS has started a savings scheme for people who want to put money in their range of investment trusts. You can either invest a lump sum of £250 in one particular investment trust or, if you join the monthly savings scheme, you can put a minimum of £50 in each of the six investment trusts.

The trusts range between those with an international investment strategy and those which invest purely in the UK or in small- and medium-sized companies.

There is a charge of 1.5 per cent (minimum amount £2.50), plus VAT and stamp duty of 0.5 per cent.

Sara Webb

Cash in on the mighty dollar

IN TIMES of trouble, the US dollar tends to come into its own. As the political situation worsens in China, the dollar has gained. However, the rise in the currency this year has been more than a knee-jerk reaction to international unrest. What should you do to make the most of the strong dollar?

If you want to stay in the UK market as well gaining from the dollar's strength, you can buy shares in British-based companies which derive a high proportion of their earnings overseas, or choose specialist unit and investment trusts with a similar philosophy.

Companies such as Jaguar and BAT are heavy exporters to the US and are therefore at an advantage when the pound is weak.

Although many of these companies' shares have already had a good run, some - like ICI and Bechtels - also export to Europe, so if the pound remains weak against the dollar and the D-mark as well, investors should be quite well insulated.

A more direct way of investing in dollars is to open a money market bank account. You can invest in sterling or dollars, as well as a small num-

ber of other leading currencies, and will also have a sterling cheque book. The money is on an deposit and earns a reasonable rate of interest. For example, Charterhouse's premium dollar account currently pays 8.5 per cent gross interest.

The advantage of these accounts is that they are easily transferable into other currencies and the fees are relatively low at around 1 per cent for each £1,000. Most accounts require a minimum holding in Charterhouse's case, of \$5,000.

A third possibility is to

invest in shares or unit trusts in dollar-related areas such as Singapore, Taiwan and Australia.

The most interesting Pacific options at present are probably Singapore, which has already had a good run this year, Taiwan and Korea, as well as Thailand, which is linked less to the dollar, but the dollar's strength can be a disadvantage for Taiwan and Korea as it makes their exports more expensive, although with a substantial portion of their

exports going to the US, the effect rather cancels itself out.

The easiest way in for most private investors is to buy through a UK-authorized Pacific General trust, although wealthier investors may prefer to buy shares directly through a stockbroker.

For the time being, investors should probably stay out of Australian industrial stocks. But one place to invest could well be Australian bonds, currently sporting low yields of 6 to 7 per cent. Investors can buy these directly through Aus-

Heather Farmbrough on ways to maximise gains from a strong currency

invest in shares or unit trusts in dollar-related areas such as Singapore, Taiwan and Australia.

The most interesting Pacific options at present are probably Singapore, which has already had a good run this year, Taiwan and Korea, as well as Thailand, which is linked less to the dollar, but the dollar's strength can be a disadvantage for Taiwan and Korea as it makes their exports more expensive, although with a substantial portion of their

lian brokers or banks and through some UK stockbrokers.

Investors also have the choice of topping up holdings in North American unit trusts, taking in Canada with the US. These have done well this year, benefiting from both the strong dollar and the surge in the US stock market.

How much longer can the dollar remain strong? Michael Hughes, chief economist at Barclays de Zoete Wedel explains, "It's the type of dollar

strength which is important. The recent strength has been the revaluing of an undervalued currency, which is now fairly valued." Over this period, the pound has fallen to its lowest point against the dollar since 1987, while the yen and D-mark have also suffered.

"We're now looking at a fairly valued currency which is becoming overvalued," Hughes adds. "This means funds have moved into US bonds; US interest rates are more likely to come down and American goods are less competitive in the US market in comparison with imports."

Nevertheless, he thinks that the dollar is likely to remain strong for the immediate future, and that by the end of the year it could stand at \$140 against the pound.

But if he thinks US interest rates will come down, why should the dollar stay strong for the time being? "The Federal Reserve won't bring down rates that quickly (due to recent indications that US inflation rates have jumped) and interest rates tend to lag currency movements. Eventually, yes, rates will come down and then the dollar, but markets must not react that quickly."

'Broker bonds' behind the hype

IT SOMETIMES seems that the launch of a new investment vehicle differs little from that of a new soap powder, involving a lengthy period of market research and an overdose of hype.

The Savings Corporation, launched this week after two years of preparation in which £11m was spent, is certainly not saying that it is introducing a new concept under the slogan "A safer way to make your money work better."

This time, however, there appears to be more than just hype, and the company and its products are worth closer examination.

The Savings Corporation, backed by the giant American International insurance group, is effectively running a broker bond operation in the money and gilt markets with 20 per cent in the Harbour Fund, 20 per cent in the money market City Reserve Fund, 30 per cent in the Gilt Income Fund and 30 per cent in the Gilt Growth Fund.

The Dimensions Folio Plan - a managed fund offering the higher return available

from equities with a measure of stability. It invests 20 per cent in the City Reserve Fund, 20 per cent in the Gilt Growth Fund, 40 per cent in the UK Blue Chip Fund and 20 per cent in the Overseas Fund.

The Zenith Fund - a high risk, capital growth fund investing in a combination of UK and overseas equities, plus gilt and cash funds.

Satellite Folio Plan - a new idea, in which the capital is invested in the Gilt Income Fund and the income from that fund is continually invested in the UK Blue Chip Fund. It should provide higher capital growth than a pure gilt investment, but will lag behind equity growth.

The Architect Folio Plan - a long-term savings plan that starts as a high risk/high reward fund and switches to a fully secure fund.

For example, for a 20-year investment term, the first eight years would aim for high per-

formance by investing in the Zenith Fund, and would then aim for balanced growth over the next eight years by investing in the Dimensions Folio Plan. The emphasis then switches to security, investing in the Windsor Folio for three years and in the Harbour Fund for the final year.

This investment technique has "actually" written all over it, being an ideal strategy for a personal pension contract.

Investments can be as low as £25 a month or a £500 lump sum. The charges are at the top end of the range. There is a 6 per cent initial charge, and a 1.5 per cent annual charge for equity funds (1.25 per cent for gilt funds). What is more, the company reserves the right to increase the initial charge up to 8 per cent and the annual charge up to 3 per cent. Lower for the cash funds are charged.

Eric Short

The added cost of holidays

IF YOU are still at the stage of poring over the glossy travel brochures and have not yet picked your holiday destination, take heed. The cost of holidays in Spain, Yugoslavia, Portugal and North America have risen in the last year by more than the level of retail price inflation in the UK, according to a recent report from Lloyds

Bank.

Holidays in Yugoslavia cost 16.1 per cent more than a year ago, while in Spain the cost has increased by 12.1 per cent. In Portugal, where high inflation has more than offset the fall in the escudo against the pound, the cost has gone up by 11.2 per cent.

However, short hops across the Channel should not be markedly dearer than last year, Lloyds says, since sterling is at roughly the same level against the EMS currencies.

The cost of holidays in France, Germany, Austria and the Netherlands has increased by less than 3 per cent in the last year.

Britons took more than 20m holidays abroad and ran up a tourism deficit of £22m last year. Package holidays accounted for 44 per cent of all trips, independent travel 29 per cent, and visits to friends and relatives 11 per cent.

Business travel accounts for 13 per cent of forays abroad - and a higher proportion of total spending.

Bank.

Holidays in Yugoslavia cost 16.1 per cent more than a year ago, while in Spain the cost has increased by 12.1 per cent. In Portugal, where high inflation has more than offset the fall in the escudo against the pound, the cost has gone up by 11.2 per cent.

However, short hops across the Channel should not be markedly dearer than last year, Lloyds says, since sterling is at roughly the same level against the EMS currencies.

The cost of holidays in France, Germany, Austria and the Netherlands has increased by less than 3 per cent in the last year.

Britons took more than 20m holidays abroad and ran up a tourism deficit of £22m last year. Package holidays accounted for 44 per cent of all trips, independent travel 29 per cent, and visits to friends and relatives 11 per cent.

Business travel accounts for 13 per cent of forays abroad - and a higher proportion of total spending.

Eric Short

RESULTS DUE			
Company	Announcement due	Last year	This year
FINAL DIVIDENDS			
Aberlyde Holdings	Friday	-	-
BET	Monday	3.0	7.0
Black Leisure Group	Tuesday	0.24	0.1
Brookmount	Wednesday	1.75	3.5
Buigh AF & Company	Friday	-	0.2
Mitsui Brothers	Monday	4.25	10.25
Charter Consolidated	Wednesday	0.75	3.0
CH Industries	Thursday	-	1.4
Christie Group	Monday	-	3.275
City Gate Estates	Monday	0.75	2.25
Continous Spinnery	Tuesday	0.5	0.8
Electric & General Inv. Co.	Tuesday	2.0	7.0
England J Group	Tuesday	1.8	3.8
Erwin Group	Thursday	0.35	0.4
Erskine House Group	Monday	1.54	3.81
European Colour	Monday	3.0	6.0
GEI International	Tuesday	1.0	2.5
Hambros	Monday	40	2.2
Hobson	Tuesday	1.0	2.5
IWP International	Thursday	1.0	1.5
Kakul	Tuesday	4.0	8.0
Kowit Systems	Tuesday	1.0	2.5
Markheath Securities	Friday	1.0	2.5
Marling Industries	Monday	0.5	1.5
Melville Street Investments	Monday	0.5	1.5
Meyer International	Tuesday	2.4	7.1
Mt. Holding	Monday	0.6	1.7
Mourvieu Estates	Monday	1.0	2.0
NSM	Tuesday	-	-
Obcoron & Little	Wednesday	1.7	3.3
Quilligott	Wednesday	0.5	1.0
Renold	Monday	0.5	1.0
Rejact Ship	Monday	1.5	3.5
Reliance Security Group	Tuesday	0.43	1.17
Scantronic Holdings	Wednesday	0.43	1.17
Scoring Publishing Group	Monday	-	3.3
TR Technology	Monday	-	0.8
Volex Group	Tuesday	4.0	6.0
Wellman	Tuesday	-	0.55
Welpe	Tuesday	-	0.55
Zambita Consolidated Copper	Wednesday	-	-
INTERIM DIVIDENDS			
Anglo Television	Thursday	2.35	5.4
Arrol Nicholson	Monday	2.5	4.65
Devenish JA	Tuesday	0.75	2.8
Edwards Pease & Co.	Friday	4.0	5.0
Eurocity	Monday	1.54	3.81
Horne Robert Group	Wednesday	2.5	5.75
Lee Arthur & Son	Wednesday	1.25	3.0
Lowell VJ Holdings	Tuesday	1.5	5.15
Moorfield Estates	Monday	-	1.375

COMPANY NEWS, TAKE-OVER BIDS AND MERGERS			
Company	Value of bid per share (£)	Market price (£)	Bidder
Prices in pence unless otherwise indicated			
Ashted	327 1/2	317	Wassell
Alida	275	42.38	Scott & Robert
Bosna Maselac	365	343	Onicon
Business Mart Ltd	72	61	Nat. Home Loans
Brookmount	600	585	Forst Seller Mer.
Chemicals & Fergus	150 1/2	149 1/2	Carthage
Coaltel	425	444	Anglo United

FINANCE & THE FAMILY

Crusade over charges

A CRUSADE against the rise in unit trust charges has been launched by Torevell Mahon Granville, the Manchester-based financial planning subsidiary of the Granville investment group.

Last week, TMG managed to collect enough proxy votes from unitholders to defeat a proposal by Equity & Law to raise the charges on its unit trusts. A compromise deal was reached under which it was agreed to let E&L put up its initial front load charge from 5.25 to 6 per cent on four of its funds.

In return, though, E&L had to agree not to make any further increase for at least two years in the front load charge and also to keep the annual management fee on its higher income trust at 0.75 per cent of the value of the fund for the same period.

E&L had wanted to have the option to put the front load charge up to 7 per cent, in case it had to pay increased commission to brokers, and also to have the option to raise the ceiling for the annual management fee from 1 to 2 per cent.

A similar move to block increases in Scottish Widows unit trusts failed because TMG was unable to collect enough votes in time to defeat the proposal.

As a result of the Financial Services Act, management groups are having to hold meetings seeking formal per-

mission from unitholders to change the trust deeds in line with the new regulations. Many of them are taking the opportunity to obtain permission to increase charges, something they claim is necessary because of the higher costs involved in complying with the new regulations.

Even those, like M & G, which have not put up their direct charges have shifted certain expenses (like the trustee fees) into being paid out of unit trust funds rather than being borne by the management group as before.

In recent months, more than 20 groups have put up their initial charges to 6 per cent, and the annual management fees have gone in many cases to 0.75/1 per cent to between 1.25 and 1.5 per cent. In some cases, the increases authorised have been even higher but have not been implemented. They merely give the group the option to put up the charges to a specified "ceiling" without having to get prior permission from unitholders.

Some groups fear that the rise in commissions paid to intermediaries on insurance products, following the scrapping of the maximum commission agreement, may spread to unit trusts and they want the ability to compete without having to cut their profit margins. Templeton, for example, has already raised the commission

it pays to intermediaries to 4 per cent compared with the industry norm of 3 per cent.

But Alan Torevell, managing director of TMG, feels strongly that the apparently inexorable rise in unit trust charges is coming at just the wrong moment, with many investors still wary about going into the stock market after the October 1987 crash. He hopes TMG will be supported by other intermediaries, and investors, in its view that the unit trust groups should be keeping down charges to promote sales.

Jim Hawken, assistant general manager of Equity & Law, was philosophical about the setback to its plans. He said he believed it was up to the commercial judgment of the management group as to whether increased charges would affect sales, but was not unhappy with the outcome of the vote.

So far management groups have encountered little opposition from unitholders when putting up charges, partly because many of them simply do not understand what is going on or are not concerned unduly, especially as increasing initial charges does not affect existing unitholders.

TMG is hoping this lethargic attitude might change now it has shown that unitholders do have the power to slow down or halt the rising trend in charges.

John Edwards

Sara Webb finds that the UTA's new head intends to 'shout loudly about the rewards and the risks'

Taking the mystery out of unit trusts



John Fairbairn

he intends to "shout loudly about the rewards and about the risks" so that people are aware fully of the fact that unit trusts can go down as well as up in value.

Fairbairn maintains the only people who lost money in unit trusts were those who had to pull out soon after the crash, while those who held on recouped their losses. In fact, his own motto appears to be "hand over the money and forget about it" and he claims he never looks at his own investments to check on their progress because "I don't see the point."

He adds: "I would make a very bad fund manager because I'm not interested in stocks and shares, although I'm fascinated by investment."

Fairbairn joined M&G (where his uncle, Ian Fairbairn, was chairman) in 1961 as an accountant. He says that, at the time, he did not expect the job to be particularly interesting, and thought he would probably leave quite soon. In fact, he has spent most of his working life there, taking over the marketing and product

development side and later becoming deputy chairman of the group and chairman of the charitable trust which owns 33 per cent of M&G.

The post-crash decline in unitholders is clearly a source of worry for the unit trust groups, which now wonder how best to drum up interest for their products. One way would be through generic advertising, something which Fairbairn is against personally

on the grounds that it "puts people off if they think you're trying to sell them something financial." As it turned out, not enough members of the UTA were in favour of advertising under a common banner for the idea to go through.

Fairbairn's aim as chairman is to attract new customers in the UK. He wants to "remove the mystique and misconceptions surrounding the unit trust industry" and make sure everyone knows what a unit trust is. But although British managers will be able to market authorised unit trusts in other EC countries later this year - subject to the host country's rules - he does not expect to see a stampede into Europe.

Rather, he expects a more gradual movement across the Channel with groups either entering joint ventures, making acquisitions or linking up with agencies. But he admits that it is a moot point as to whether the Germans or anyone else on the continent are actually interested in buying these products.

While Fairbairn maintains

that "we have to be seen to be looking after the interests of unitholders," he sees no reason to change the way that commissions and charges are levied.

With initial charges sometimes as high as 6 to 7 per cent and annual management fees in the range of 1 to 1.5 per cent, many people need a lot of convincing that unit trusts are a good home for their money, especially when they realise that £100 invested shrinks to £94 the instant that it is paid in.

Fairbairn defends such charges on the grounds that marketing and advertising costs have escalated in recent years, although he concedes: "It would be a pity if charges got much higher because it would kill the goose which lays the golden eggs."

The unit trust groups are now free to pay intermediaries more than 3 per cent in commission on the introduction of new business and, as a significant proportion of new business comes via intermediaries rather than from direct mailing, Fairbairn believes the end of the maximum commission agreement could put pressure on management charges and result in further increases.

"Management charges have gone up quite a lot in the last two years because of the burden of compliance with the Financial Services Act," he says. His advice to investors is to ask intermediaries how much commission they are being paid by the unit trust group before handing over any money.

Japanese lure

MANY INVESTORS are very wary about investing in the Tokyo stock market. By normal Western standards, it is over-valued grossly and seems long overdue for a collapse.

Instead, against all the odds and much to the chagrin of professional fund managers, it keeps rising. As a result, those nervous investors have missed out on the market providing some of the best returns.

To tempt investors into its new Japanese Portfolio fund, Cazenove has come up with a scheme which, it claims, is unique for an authorised unit trust. The aim is to reduce the potential risk of a market collapse.

During the initial offer period up to July 7, investors are offered a guarantee that if the Nikkei Dow stock index (in the five years from now (in the five days up to July 7, 1992) is more than 33 per cent below the average level of the index in the five days up to July 7 this year, then Cazenove will pay the sterling equivalent of the difference.

However it is not a

completely open-ended guarantee: at present, Cazenove will cover only the first £30m of any losses.

The important point of this guarantee of reduced risk is that it is not being financed by the fund. Cazenove is paying it out of the initial front load charge, so it will not affect the fund's performance.

Harry Henderson, managing director of Cazenove unit trust management, says the protection scheme, arranged with Nippon Credit International, is an entirely separate arrangement that it uses already as an insurance policy for pension funds. It had been decided to extend the scheme to unit trust investors so that they could get full Japanese market exposure with reduced risk at no extra cost.

Management charges for the Japanese fund, as with the three other Cazenove unit trusts, are at the bottom end of the scale: 5 per cent initial, and 1 per cent of the value annually. There is a fixed offer price of 50p during the launch period until July 7.

John Edwards

Eagle Star announce the perfect environment for your money.



There's never been a money making opportunity quite like this. For now's your chance to invest in an industry which looks set to expand faster than any other in the 1990s. The 'environmental products and services' industry.

Like all good ideas it's being overlooked. As people become more and more concerned about the environment, companies are becoming more prosperous. They are companies in response to demand, are producing and selling products such as 'ozone friendly aerosols', biodegradable packaging or organic foods.

We've launched an Environmental Opportunities Trust to invest in companies which are taking a positive attitude towards environmental issues. It gives you the perfect opportunity to share in their success.

As the environmental question becomes ever more important, these companies look set to grow even stronger. Your money can grow with them.

Successful investment.

No less than 80% of the Trust will be invested in the UK and the balance in continental Europe. In both areas Eagle Star's investment experts have already had remarkable success. For example, £5,000

invested in Eagle Star's UK Growth Trust at its launch in October 1985 would now be worth £13,960*. Over that period you would have also seen a very significant growth in unit values of all of Eagle Star's other UK and European Unit Trusts.

Of course, past performance is no guarantee of future success. It should also be appreciated that the prices of the units will not always come from them may fall from their previous high points.

But this is the great investment opportunity. Invest in the complete the complete £1,000 investment in Eagle Star Unit Managers, to the address on the back of this coupon.

Why you should invest now

If you apply immediately there's a special introductory price of 50p per unit available before 20th July 1989. Then prices can be expected to move with the market.

And to get you off to a flying start there's a valuable bonus of 10 extra units if you invest before 20th July 1989. Fill in and send the coupon now to make sure you don't miss out to be the first to invest in the new EAGLE STAR ALWAYS A GOOD IDEA.

Everything else you need to know.

The objective is to invest for long term capital appreciation in companies which use a positive attitude to environmental issues and to share in their success. The offer price of units from launch on 20th June 1989 will be 50p. Any income will automatically be reinvested in the Trust on your behalf - increasing the unit price. The estimated annual yield is 1.75% initial costs, including any remuneration paid to qualified intermediaries (details available on request), are met by a charge of 6% which is taken into account in the calculation of the bid and offer prices. The Trust Deed gives the Managers to make an initial charge of up to 7.5%. Ongoing costs will be met by a charge, currently 1.25% (plus VAT) a year, that is deducted from the Trust's income. The Trust Deed allows a maximum of 3%. Normally there will be a 6% difference between the bid and offer prices, which includes the charges mentioned above. No maximum bid/offer spread is stipulated in the Trust Deed and the Managers reserve the right to vary the pricing basis of units subject to statutory regulations. Units are valued at 10.00am each business day from 20th June 1989 (although the Managers reserve the right to carry out more frequent valuations), and dealing will take place between 9.00am and 5.00pm. Units are issued at the best offer price following receipt of your application. The price of units will be shown each day in the Financial Times and the Daily Telegraph. A contract note will be issued on the business day following issue of units and a unit certificate will be sent to you within 21 days of payment. For more details the number is (0242) 777955. Calls are answered in strict rotation so don't ring your call in too often. If you are a basic rate taxpayer you will have no further tax to pay if you use a higher rate taxpayer you will have to pay the additional tax. The Unit Trust itself is not subject to capital gains tax. When you sell units you will not be subject to tax unless your total gains in the year exceed the normal exemption. Managers Eagle Star Unit Managers Limited, member of Laurus and DMLC. Registered address: 60 St Mary Axe, London EC3A 9JQ. Registered number: 1921082. Finance: Midland Bank plc, Suffolk House, 1 Laurence Pountney Hill, London EC4R 0BE. Registrar: The Royal Bank of Scotland plc, Registrar's Department, PO Box 51, Canongate House, 19 Canongate Street, Edinburgh EH1 8TB. The full rules and conditions are contained in the General Particulars, which is available on request from the Managers. An annual report will be produced each June (commencing 1990) and an interim report each December. No cancellation rights arise under the Financial Services (Cancellation) Rules 1989 in respect of applications made solely in response to this advertisement. This advertisement is issued by Eagle Star Unit Managers and is based on the Managers' understanding of current law and Island Revenue practice both of which are always liable to change.

APPLICATION FORM

To Eagle Star Unit Managers Limited, (LC43) Freeport (KE 1506), Eagle Star House, Bath Road, Cheltenham, Glos GL53 3BR.

I/We wish to invest £..... (minimum £1000) in the Eagle Star Environmental Opportunities Trust. A cheque made payable to Eagle Star Unit Managers is enclosed.

Please complete your name and address in BLOCK CAPITALS to help us process your application more quickly.

Surname (Mr/Ms/Miss/Ms or other title) _____

Forename(s) in full _____

Address _____

Postcode in full _____

Units cannot be registered in the name of a minor but may be registered in the name of an adult and identified by the minor's initials you require. Please use this space to specify the initials you require. _____

If the holdings are to be in joint names, please give the full name and address of the other joint holders (maximum of three) on a separate sheet of paper and attach it to this application form.

Further application forms are available on request from Eagle Star Unit Managers at the address above.

Signature(s) _____ Date _____
(I am/We are over 18 years of age)

NOT AVAILABLE TO RESIDENTS OF EIRE. FT/7/89

EXTRA HIGH RATES WITH ONLY ONE MONTH'S NOTICE

10.7% 13.67%

AAB

ONE MONTH NOTICE ACCOUNT offers

Extra high interest - calculated daily, credited monthly

No penalties for withdrawals when one month's notice is given

Withdrawals on demand may be permitted subject to a fee

Minimum initial deposit: £2,001

No bank charges

For further information please telephone David Carroll on 01-629 6802, or FREEPOST the coupon below.

AAB - Allied Arab Bank is an established British Bank, registered in the United Kingdom and is recognised as an Authorised Institution under the Banking Act 1987, with its Head Office in the City and a Branch in the West End of London. The shareholding of AAB includes a major UK Clearing Bank.

*Interest rates may vary according to money market trends. High rate of interest paid on balances of £2,001 and over. Net Compound Annual Rate is 11.24%. Gross CAR is 14.56%. Gross Equivalent CAR is 14.98%, where tax is paid at basic rate. (Compound Annual Rate calculated on monthly interest remaining invested).

To: The Manager, High Interest Accounts, AAB FREEPOST 16, London W1E 8HJ. Please forward me details of the One Month Notice Account

Name _____

Address _____

Postcode _____

Telephone _____

Tick if non-UK resident. FT 17/6/89

Our branch situated at 131-132 Park Lane, London W1Y 3AD.

*Offer to bid prices 7th October, 1985 to 31st May, 1989 (net income reinvested). Eagle Star Unit Managers are members of DMLC and LAUTRO.

FINANCE & THE FAMILY

Anthony Casswell concludes his series on next April's tax changes

Plan now to boost your savings

Private Client, or just an account number?

At Greenwell Montagu Stockbrokers, private clients are the backbone of our business. We place real importance on the strength of our personal relationships. Links with some of our clients and their families go back several generations.

Just as times have changed for them, they have changed for us too. In today's markets we are determined to achieve every advantage that technology can bring, in the dealing room and in our portfolio management—but we are equally determined to be old-fashioned when it comes to client relationships. Knowing you as a private individual will help us to follow your best interests when we invest your money.

If you have over £100,000 for investment, please call Tim Wakeley or Robert Ordley on 01-588 8817 for an informal discussion—or send the form for further information about our services.

—Our branches in Lynton and Hereford also offer full stockbroking services.

To: Tim Wakeley, Greenwell Montagu Stockbrokers, London Office.

Name.....

Address.....

GREENWELL MONTAGU

STOCKBROKERS

114 Old Broad Street, London EC2P 2HY

Lynton Office:
98 High Street,
Lynton
Hants SO41 9AP
Telephone: 0590 674288
FT 17/6/89

A Member of The Securities Association

and
The International Stock Exchange

Hereford Office:
35 Bridge Street,
Hereford
HR4 9DG
Telephone: 0432 264646

WHEN INDEPENDENT taxation starts in April, it will not necessarily be the husband who must transfer assets to his wife to maximise their combined incomes.

This is illustrated in the accompanying table relating to the case of Ivor and Faith Aireas. Faith recently received a substantial legacy which will bring in an annual income of £30,000 before tax. Unfortunately her husband, Ivor, faces under the present tax system a substantial addition to his tax bill, as shown in Columns A and B of the table.

If independent taxation was already available, Columns C and D demonstrate that the Aireas' would, automatically, be £1,744 better off.

When independent taxation does become available, there are two ways in which they can cut their tax bills further.

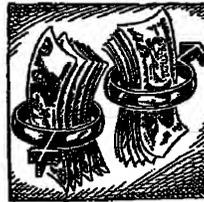
First, they should elect for all the tax relief on their mortgage interest to be transferred from Ivor to Faith. Second, Faith should transfer investment assets generating gross dividends of £7,000 to Ivor.

Columns E and F show that these two plays will increase their combined net income by an extra £1,361 making a total saving of more than £3,000 compared with the existing arrangements.

They will still be paying 40 per cent tax and they could reduce their tax bills even further by putting some money into investments which are particularly suitable for all higher rate taxpayers.

These include:

- Personal Equity Plans (PEP) — £7,000 each for the period from January 1988 until April



INDEPENDENT TAXATION FOR MARRIED COUPLES

5, 1990 inclusive; Fourth index-linked issue of National Savings Certificates (NSC) — £5,000 each — to provide a yield equivalent to the annual rate of inflation plus 3 per cent extra interest for the first year, rising to 6 per cent for the 5th year; Insurance investment bonds. If they take 5 per cent annual withdrawals these will be tax deferred for the first 20 years (but all withdrawals will be taken into account at final surrender or death); Realisations to reinvest, as suggested, will incur capital gains. Faith should transfer sufficient assets to Ivor to enable him to use his £5,000 annual CGT exemption next year as well as her own.

Next, what advice can be offered if a husband earns £30,000 to £50,000, neither of you have investments and your wife's job is raising children?

There is not a lot you can do

INDEPENDENT TAXATION FOR MARRIED COUPLES

Mr & Mrs Aireas (both aged 30) — Estimated income in 1989/90

Which tax system: Marital Capital situation Income from assets owned by	Existing as now		Independent Taxation as now		after action	
	Husband	Wife	Husband	Wife	Husband	Wife
	A	B	C	D	E	F
Sources of income						
Earnings	20,000	5,000	20,000	5,000	20,000	5,000
Legacy (see received)		30,000		30,000	7,000	23,000
Legacy (after partial transfer)					7,000	23,000
Total income	20,000	35,000	20,000	35,000	27,000	28,000
Total including wife's income	20,000	35,000	20,000	35,000	27,000	28,000
Single allowance	2,785	—	2,785	2,785	2,785	2,785
Married Couple's Allowance	1,580	—	1,580	—	1,580	—
Wife's Earnings Allowance	2,785	—	—	4,000	—	—
Mortgage interest	4,000	—	—	—	4,000	—
Total allowances	11,150	—	4,365	2,785	4,365	2,785
Total for income tax	43,850	—	11,635	32,215	22,635	21,215
Income tax £28,788 at 25pc	5,175	—	2,908	5,175	5,175	5,175
Residence at 40 pc	8,225	—	—	4,688	776	226
Total Income Tax	14,400	—	2,908	9,791	5,951	5,381
Net Income After Tax	46,600	—	17,092	25,209	21,049	22,619
Combined net income after tax	46,600	—	42,213	42,213	42,213	42,213
Improvement	—	—	+1,744	—	+1,361	—

to take advantage of independent taxation, except to ensure that any savings are made in the wife's name to use up her allowance. She would, for example, achieve a better return in National Savings or gilts than her husband.

The first £30,000 on the mortgage receives tax relief, and should be in the husband's name. But after that there is currently no investment which will bring in more than the gross interest payable. When inflation is high the advantage of any loan is that you will eventually repay less in real

terms. But, unless you put your trust in shares, you might just as well use any surplus funds to repay the mortgage.

To conclude, it may be helpful to summarise those circumstances under which tax planning may improve on the saving which will be automatic from next year:

- Only one spouse has investment income;
- Both spouses have investment income, but wife's is less than her single allowance;
- One spouse is a higher rate taxpayer with investment income, but the other spouse is not;
- Higher rate tax is currently

being paid partly because of wife's income and spouses hold tax free investments like NSCs;

- One spouse has substantial capital gains;
- Spouses hold life assurance policies, especially single premium policies, and only one spouse will be higher rate tax payer next year;
- One spouse is working in business in which the other spouse, being on a lower or nil tax rate, could be gainfully employed;
- You have a mortgage on your main home;
- Either spouse is eligible for age allowance.

PORTFOLIO MANAGEMENT FOR PRIVATE INVESTORS, FAMILY TRUSTS AND CHARITIES

For further information about our services please telephone Richard Mosley on 01-377 9242, or write to him at the address below.

FLEMINGS

FLEMING PRIVATE ASSET MANAGEMENT LIMITED
31 Sun Street, London EC2M 2QP.

A Member of the International Stock Exchange and The Securities Association.

INVEST WITH CERTAINTY: CALL FOR YOUR FREE ZERO COUPON U.S. TREASURY BOND CALCULATOR.

While uncertainty accompanies many investments, Zero Coupon U.S. Treasury Bonds come with built-in certainty: you know when you buy them exactly how much they will pay out upon maturity. That's why Zeros are ideal for funding your retirement or your children's education.

Find out at a glance how much you would need to invest in Zeros today, and how long it would take, to achieve your goals. Call for your free Zero Coupon U.S. Treasury Bond Calculator today.

CALL: 01-355-6904

SHEARSON LEHMAN HUTTON

An American Express company

© 1989 Shearson Lehman Hutton Inc. Member of TSA and AFED

UP TO NOW, insurers have confined action against drink-driving offenders to the time when convicted motorists seek to renew their insurance after their period of suspension is over.

Insurance companies usually are prepared to provide such motorists only with limited cover at high premium rates, with a loss of any no-claim discount. But there has never been any question of the insurer refusing to pay out on any accident in which the motorist was involved, even though it resulted in a drink-drive conviction.

However, as far as the Pearl Assurance Company is concerned, this apparently is not a sufficient deterrent to drink-drivers.

The company has decided, amid a blaze of publicity, to punish them still further by repudiating any claims they may make and seeking to make them pay any damages resulting from an accident out of their own pockets.

Under the Drive Wise motor insurance policy, which comes into operation from next month, Pearl will meet only its legal liabilities to provide third party cover under the Road Traffic Act on claims where the driver is not ultimately convicted of a drink-drive offence.

Pearl also says that it will try to recover from the motorist the cost of this third party liability although the company is not as yet specific about how it would implement this in practice.

Pearl justifies its action on two grounds: commercial and moral. Nigel Proddow, the

Eric Short examines Pearl's move to penalise drivers Insurers split on drink ban

chief general manager, points out that an insurer usually has the right to repudiate a motor claim if the vehicle involved was not fit to be on the road, a clause often carried in the small print of a policy. So, he argues, why shouldn't the claim be repudiated if the driver is not fit to be on the road?

Second, although Pearl is not a leading motor insurer, it does have a large enough portfolio to judge the overall effects of drink-driving on its claims experience. The proportion of claims arising from such offences is as high as 10 per cent, costing £26m last year. The cost of these claims comes from the premiums of other policyholders.

Mike Freeman, Pearl's motor manager, estimates that by refusing to pay on these claims, he can reduce motor insurance premiums by up to 15 per cent immediately.

The saving could eventually be even higher as those motorists now insured with Pearl, who know they drink and drive will go elsewhere for insurance, leaving the company with a smaller but lower-risk portfolio.

British insurers and representatives of Lloyd's motor underwriters, has for some time been urging insurers to take more positive steps on road safety.

Yet, no other major insurer has followed the Pearl initiative as yet. Some say they are watching the position. Others, like the Norwich Union, are opposed specifically to the move.

There is a general message at reducing the insurance service to clients and repudiating a claim in such circumstances, with the consequent ill-will generated. The attitude is that if insurers are going to take action, then why not repudiate all claims where the driver is convicted and loses his licence for any reason — including speeding and dangerous driving — and not just for being over the limit?

Second, there is a general feeling that the Government is far too keen to get insurers to do its work for them in punishing drink-drivers.

This is the view expressed by John Boulden, marketing director of Frizzell, one of the leading UK motor insurance brokers. He said that the company would prefer to see a firm lead from parliament in tightening and enforcing the law on drink-driving rather than leaving it to individual insurers to take action.

The tightening of the law could well come from the European Community, which was responsible for the ban introduced at the beginning of the year on taking out insurance against the financial consequences of losing a driving licence — the so-called St Christopher policies.

Ethics reign

ETHICAL INVESTMENT via a unit trust has now been available in the UK for five years — the Friends Provident Stewardship Fund was launched in May 1984. At the time, there was more than a little scepticism. Critics felt that because the choice of shares was limited, investment performance of such funds would suffer compared with the general market.

Five years is now accepted as an adequate period over which to measure investment performance and to draw valid conclusions. So what has happened?

Well, from the Microcap monthly survey, £100 invested on June 1, 1984, in the Stewardship unit trust would now be worth £275.20. This compares with a national £254.20 from the FT Actuaries All Share Index, with income reinvested, over the same period. The fund is 30th-best performer out of the 105 UK growth equity funds available for at least five years.

So, the Stewardship fund has performed above average against both the UK equity market and comparable unit trusts. This supports the claim that investors going into ethical funds will not have to sacrifice performance to be guided by their moral attitudes.

Crucially, the performance of Friends Provident's Equity unit trust, a general UK-based fund, over the same five-year period showed a return of 327.30, putting it only 56th out of 60 such funds — a somewhat embarrassing comparison for the group's investment managers.

A similar picture emerges with the Stewardship managed pension fund — available, as its name suggests, to trustees operating pension schemes on a self-administered basis. The annual analysis of pension fund investment by the Edinburgh-based WM Company shows the Stewardship fund to have been in the top 5 per cent of all pension funds surveyed in each of the four years 1985-1988.

In spite of this excellent performance, and the emphasis put by trade unions on ethical investment, pension funds to date have put only £20m in the Stewardship fund. And, until recently, there had not been a noticeable attempt by investment houses to offer ethical funds, or much interest on the part of investors.

The regular surveys of these funds, undertaken by Ethical Investment Research Service (EIRS), showed that there were 14 ethical funds available last December with total assets of around £1,400m. Since this review, at least three more ethical unit trust funds have been launched and total assets are likely to be in excess of £1,500m.

Nevertheless UK investors are as yet not as committed to ethical investment as their counterparts in the US, where more than 10 per cent of investment is now made on an ethical basis. However, now a track record has been established, there could well be many more ethical funds appearing on the market.

Eric Short

Shares gone to the dogs

I have been asked by a retired lady if it is possible to trace some shares owned by her late husband.

The shares were a gift to him sometime between 1980-1987 when a greyhound racing rights was floated (name unknown). They were "lost" about 1949 because of religious scruples.

My question is, where can I find a list of floated companies for the relevant years?

You would discover the name of the company. You may find the answer to that inquiry in any of the sporting publications concerned with greyhound racing, such as the Greyhound Owner. Likewise inquire with the management of one of the major stadiums now operating.

Mortgage relief

I understand that if I borrow to buy a second home and let it out for minimum periods I can offset the net cost of the mortgage against my taxable income in addition to my £20,000 mortgage on my first home.

This seems a particularly attractive way of both avoiding tax and building up capital. Could you advise me what the tax problems would be if the property were in France.

Relief for mortgage interest on let property is only available:

(a) if the property is in either the UK or the Irish Republic;

(b) against the schedule A and/or schedule D case VI assessments in respect of the letting of property; under sections 354 (1) and 355(1) & (4) of the Income and Corporation Taxes Act 1988.

Entitled to dividends

Is a person who puts money into a company under a Business Expansion Scheme, and is a non-executive director, entitled to dividends or fees in the five-year period during which they must hold the shares to qualify for tax relief?

Briefly, the answer is yes for dividends but no for fees. Professional guidance through the pitfalls is essential. As a first step, look at Section 291 (3) of the Income and Corporation Taxes Act 1988 in a reference library.

Rights of access

I live in a block of flats built about 15 years ago and held on a long lease. Access is by way of a garden path to the main door of the block (not locked)

Q&A BRIEFCASE

No legal responsibility can be accepted for the accuracy of the information given in these columns. All inquiries will be answered by post as soon as possible.

another door (also not locked) then across another hallway to the front doors of the various flats.

The landlord now proposes to install an entry-phone system and to have the main entrance door to the block locked most of the time. Lessees would be provided with a key. But many object because they feel freedom of access to their flats would be affected and that essential services, such as postal deliveries, would also be affected, especially if the lessee were out or away.

A clause in the lease states: "The lessor covenants with the lessee that the lessee paying the rent may peacefully enjoy the premises throughout the term without any interruption of his quiet enjoyment (which is a technical concept in law) would not be broken. The tenants would be wise to consult a solicitor if they wish to contest the lessor's proposals.

Tax rules' complexity

If I borrowed £25,000 (£20,000 secured against my house and £5,000 unsecured) to buy an existing business, would the interest paid to the lender qualify as an allowable expense for tax deduction purposes (i.e. partnership/limited company) make any difference?

Yes, if it was a partnership (in principle). Not necessarily, if it was a company. Professional advice at the outset is, of course, essential. The rules are complex, arbitrary and continually changing.

Many lessees claim that there is an "implied" right of uninterrupted access to the

MINDING YOUR OWN BUSINESS

Roy Hodson on how handling charges can be a drain on profits
A snub for thinking small

FOR THOSE running a small business, exporting is much more likely to be hard work than fun — and less profitable than business won in the home market.

Those are the hard realities of life. Needless to say they prove no deterrent to a great many entrepreneurs, who will seize any opportunity to develop their businesses overseas.

Selling abroad is one thing. Recovering your money is quite another. All small businesses that sell low-value items abroad in small quantities have to face the formidable hurdle of securing payment without the profit on each transaction being drained away by handling charges and currency conversion.

Gill Cutress, 41, and her husband Rolf Stricker, also 41, run a desktop publishing business from their home in south London. Gill has a glory to tell about her experiences with some financial institutions when she sought help in collecting payments in order to sell her books in the US.

Her business product is a

series of specialist books, researched, written and published by her husband and herself, under the general title The Factory Shop Guide. So far they have published 17 books in four years and sell them at £2.75 each.

She was both surprised and flattered when she heard from an American newsletter publisher that he was about to recommend her books to his American readers. It so happens that searching out factory shops (and the bargains they often contain) is a recommended activity for Americans when touring Britain. So, there was every prospect that The Factory Shop guidebooks would sell well in the US among prospective visitors to Britain.

Gill Cutress acted promptly and arranged for her books to be available in the US. Speed was essential to get mentioned in the US newsletter.

However, she came down to earth with a bump when she found that it costs more to bank a US\$ cheque in Britain than the retail price of one of her books.



Gill Cutress: a tale to tell about financial institutions

She spent a day shopping around financial institutions that might help, with the following results:

- **American Express.** She was told that a minimum deposit of \$50,000 would be required before they would do business.
- **Citibank.** Asked her for a minimum deposit of \$2,500 on

which interest would be credited. Cheques would be handled free. "I thought this might be interesting", she said.

"However, when I told them that I might pay in many small cheques they said, 'We will watch your account very carefully and if you pay in more than five in a week we will ask you to take your account elsewhere'."

■ **National Giro.** Proved very helpful and their international section rang back quickly. But their standard handling charge proved to be £3 a cheque and, as the average cheque she expected to receive would be for £2.75, she decided that using Giro would be a quick and certain way to go out of business.

■ **Barclays.** Barclays International, via a local Barclays branch, reported that there was a standing paying-in fee of £10.49 plus 1p for each additional cheque. "But they were so vague about any additional costs for paying in small cheques that it wasn't worth following up," she said.

■ **Visa.** "Was extremely unhelpful," reported a by now

exasperated Cutress, who had spent all day on the telephone to seek a solution to her problem. "They wanted a 500 enrolment fee plus a 4% per cent service charge. They refused to divulge the level of turnover that would be required in order to reduce the service charge. They wouldn't consider setting up an account in under six weeks, even when the urgency of my situation was explained."

■ **Access.** "Success at last. They asked for a 500 enrolment fee plus a 4 per cent service charge. The rate goes down when turnover reaches £13,000. They faxed another bank on the same day to get a bank reference, and telephoned after 5pm to say that everything was satisfactory and we could go ahead and ask our US customers for payment by Visa."

Postscript. The Factory Shop Guide books are now selling in the US in increasing numbers, and Cutress says she has found the Access service very satisfactory.

■ **Gill Cutress, The Factory Shop Guide, 34 Park Hill, London SW4 9PB. Tel: 01-622-3722.**



Managing director Jim Guthrie (left) and operational director Richard Cobourne

All credit to the family

RICHARD COBOURNE has one golden piece of advice to anyone thinking, as he did six months ago, of setting up his own company.

"Talk to the family first, second, and last. Get their complete support. Without it you are dead. Getting a business off the ground takes far more time and effort than you ever imagined. You live it all day and night and the family can quite easily get pushed into the background. Make sure they know before you start what is going to happen."

"You are going to be married to the new company rather than your family for quite a while so you must have their total support."

Cobourne is 33 with a 10-year-old daughter. Last December he left the BBC in Cardiff, joined forces with a colleague, Jim Guthrie of BBC Bristol, and set up Films of Bristol to provide film-unit services.

Since then he has hardly seen his family. All his days, and most of his evenings, have been spent in Bristol while the family, for school reasons, remains in Cardiff.

"The two men came together by accident even though they were both long-service BBC men — Cobourne with 15 years, Guthrie, who is 47, with 28 years. Guthrie had been in a motor cycle accident last summer, and Cobourne was sent to Bristol to fill in. That was when they got to know each other.

At the time the BBC was thinking of reorganising the

Bristol film unit. The two decided to put in a bid to do a management buy-out. The idea fell like a stone, in spite of some interest at Esh House in London, so the two decided to set up on their own.

A film unit is the post-production and facilities arm of television. With the increasing use of independents providing programmes for the BBC and commercial companies, film units, increasingly, will be in demand. They are extremely expensive to set up and operate. A unit needs a building from which to work, studios for recording and editing, and a great deal of equipment.

The machinery, all of it expensive, best pays for itself if it is worked 24 hours a day so the unit needs round-the-clock staffing. The machinery is even more expensive if you want the best. Cobourne and Guthrie knew they had to have the latest digital audio technology if they were to succeed.

The first thing they needed was a business plan. Last Christmas was spent putting one together. It was time well spent. Cobourne had an accountant friend in Cardiff. He was impressed and he took them to 3i, the venture fund group. A package worth £1.5m was put together.

Both men then did the sort of things most budding entrepreneurs have to do. They mortgaged their houses and they sold their ideas to friends to raise more capital. Here, they had a stroke of luck. Len Wilson, who runs a film light-

ing company in Bristol, turned out to be the sort of "angel" people in the theatre world love.

Wilson liked their ideas and, most important of all, made facilities available to them, including a property near the BBC's Bristol studios. "Len Wilson helped us in more ways than one," says Guthrie. "Apart from the premises, he put money up front. Without his help we should have had a lot more difficulty getting going. In fact, we could not have done it without him."

Now Wilson, Cobourne, and Guthrie have 20 per cent stakes in the business and 3i has 35 per cent. The remaining 5 per cent is held by Tim Knowles, managing director of HTV until late last year, who liked the set-up so much that he also put some money in. The staff is now up to 10 and when fully manned the business will employ 31.

To cover all those costs Cobourne and Guthrie have had to learn one other lesson very quickly — how to price themselves. The first job came in March, and Guthrie estimates the company should earn about £1m this year. That will not put them into profit, however.

Guthrie believes profitability will come next year when turnover should be around £1.5m. The partners would like to go to the USM in three to five years time. It's all in their business plan.

Anthony Moreton

Charting future growth

IT WAS the relentless commuting between Sevenoaks and the City of London (one hour door-to-door, morning and evening) that finally drove Ken Dean, 41, last year to give up his job in the City which, with all the "toys" included, was worth some £50,000.

With a background in engineering and a Ph.D in computer science, Dean had had managerial experience in the Far East, followed by an exciting time setting up the Big Bang dealing room technology for Savory Miln. After those adventures he had not settled easily to a City desk job.

He and his wife Jane, also 41, a remedial teacher until she gave up her job, put £30,000 of their savings into sophisticated computer equipment. They have now set up a small business making presentation graphics on their dining room table in Sevenoaks.

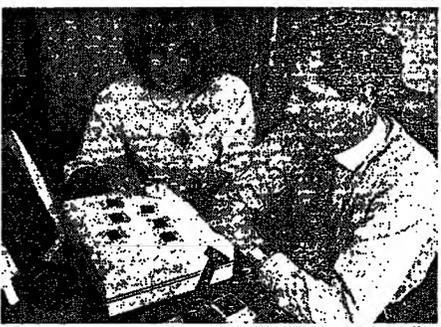
Symbolically, that dining room table may turn out to be the best investment in their married life. They are now sure they will earn £100,000 on

	First 7 months		Next 5 months	
	Actual	Average	Forecast	Forecast
Expenses on sales and production	£21,000	£16,000	£27,000	£27,000
Cash Drawings	£4,000	£ 6,000	£5,000	£5,000
Bank Balance	£1,000	£2,000	£3,000	£3,000
Sales	£26,000	£24,000	40,000	40,000

in their first year of trading. They specialise in turning rough graphs, charts and other presentational material into professionally-styled 35mm slides and overhead projection foils. Offering a quick turnaround within a few days of receiving instructions — a few hours if pressed — they have found business rolling in since they started towards the end of last year.

Companies planning in-house or sales presentations often agonise over putting together the graphic displays to accompany the talking. The answer, clearly, is to go to professionals such as The Slide Studio run by Ken and Jane Dean.

A typical sequence of about



Ken and Jane Dean at work in their Sevenoaks home

30 slides made with the professional touch for a presentation costs between £300 to £400. A single slide costs only a few pence.

With the aid of their computer programmes they can add style to the most prosaic charts and graphs. For instance, an angled "pie-chart" with a shadow beneath can become almost a thing of beauty. Such slick presentations can certainly take the sting out of poor figures and add lustre to good ones.

As the accompanying table shows, the Deans have broadly kept to their budget forecasts on outgoings while doing better business than expected. They had budgeted for turnovers of £57,000 in year one,

buying space and insert cards in magazines, spending, altogether, £7,000 in their first few months. It has paid off, he says, in increased turnover.

■ **The Slide Studio, 10 Epsom Walk, Sevenoaks, Kent. TN13 3UQ. Tel 0732-45595.**

R.H.

MINDING YOUR OWN BUSINESS

BUSINESS OPPORTUNITIES

WE ARE EXPORTERS OF CIGARETTES, WHISKEY, PERFUMES, COSMETICS, COMPUTERS, ELECTRONICS AND VARIOUS OTHER ITEMS INCLUDING HEAVY AND LIGHT WAR MATERIALS.

WE ARE INTERESTED TO EXPAND OUR PRESENT ACTIVITY WITH NEW BUYERS.

ONLY SPECIFIC SERIOUS PROPOSALS SPECIFYING VOLUMES WILL BE CONSIDERED.

COSMOS ENTERPRISES LTD
22A FRINTON ROAD
LONDON. N15 6NH.

INDUSTRIAL ESTATE

With Great Potential.
Approx. 70 acres, partly developed.
Midland Location.

Write Box F8998, Financial Times,
One Southwark Bridge, London SE1 9HL

INTERNATIONALLY KNOWN DESIGNER
Seeks LICENSING MARKETING and MANUFACTURING proposals for a range of high quality personal fashion products and accessories

PRINCIPALS ONLY
Please reply to: Etlerton & Co Solicitors,
10 Hertford Street, London W1V 7DX
This firm is regulated by the Law Society in the conduct of investment business.

EXCITING INVESTMENT OPPORTUNITY
New plc leisure industry (Bloodstock/Racing) seeks investor £50-100K for equity in potentially very profitable operation. Active or passive participation.

Replies to Box F8921, Financial Times,
One Southwark Bridge, London SE1 9HL

ARAB FUNDS AVAILABLE
From 5 to 50 million US dollars. From 1 to 5 years fixed/floating terms, against serious guarantees L/Cs and PBNs... Please contact

T.J. Abassi/E.H. Ebrahim
on: 01-459 8662/01-459 0369, Fax: 01-459 3399

5 Acres Industrial Land
With Permission.
Access on main road.
30 miles south of Birmingham.

Write Box 89914, Financial Times, One Southwark Bridge, London SE1 9HL

COURSES

PRIVATE ACCOUNTING TUITION
by experienced tutor in your own office/home.

Please phone
886 0717/405 4246.

BUSINESSES FOR SALE

FOR SALE AS A GOING CONCERN
STONE CUTTING, FIXING & CONTRACTING BUSINESS
JOHN CULLEN & SONS LIMITED AND DUBLIN STONE LIMITED (BOTH IN RECEIVERSHIP)

The Receiver and Manager offers for sale the business and assets of the above companies. The manufacturing and supply operation is located on the North Wall Quay and has an extensive sales/marketing potential set up for dealing with China, Portugal and U.S.

The Assets for sale comprise of:

- Substantial leasehold property at North Wall
- Plant, Machinery and Equipment
- Stocks
- Contracts and goodwill
- Skilled and committed workforce

Enquiries to:-
Hugh M. Cooney (Receiver and Manager) At
Cooney Corrigan Ferris or Dublin Stone Ltd.,
38 Northumberland Road, North Wall Quay,
Dublin 4, Dublin 1.
Tel (01) 782255 Tel (01) 740128/740148
Fax (01) 922618 Fax (01) 740174

HAULAGE BUSINESS
S. WALES - CLOSE TO M4

A successful bulk haulage company is to be sold as a going concern due to the imminent retirement of the owner. T/O £2.2m - (freehold 4 acre site with modern workshops and offices - a fleet of 25 premium articulated & 5 wheel tipper). Best suited to a company already in the business.

For details contact Mrs Hinton
Tel. 0272 820481

NURSING HOME SITE

Four bedded luxury house in fine condition on site with planning permission for two units totalling 80 beds in mining town near Barnsley. Possible room to expand to third unit. Offers over £300,000.

Contact David Morrow on 0246 206733 (office hours)

DRAWING OFFICE & STUDIO EQUIPMENT MANUFACTURERS FOR SALE

Quoted PLC wishes to dispose of small ancillary company. Small, well designed product range with good growth potential. Easily relocated. Attractive add-on acquisition.

Write Box 88947, Financial Times, One Southwark Bridge, London SE1 9HL

SCOTTISH BORDERS.

On superb tranquil site, just off main busy public road within beautiful mature parkland and grounds of approx. 2 acres. Lushly landscaped premises comprising well established detached mill shop, outstanding detached family residence, detached cottage and barn.

Details Souths Gore, Carlisle, (0223) 46460.

TOOL DISTRIBUTOR

Based in Berkshire. Turnover £500,000+ p.a. Own freehold premises. Close to motorway junction. Owner wishes to pursue other business interests.

All replies to Box H4954, Financial Times, One Southwark Bridge, London SE1 9HL

PROPERTY CO.

9 Residential Houses (value £470k+) in Coventry. Multiple occupation. Let to very good tenants. Income £62k+ p.a. Will sell for property value only at £470,000.

For details please write to Box H4948, Financial Times, One Southwark Bridge, London SE1 9HL

North of England Computer maintenance company
Turnover £350,000

Write Box H4948, Financial Times, One Southwark Bridge, London SE1 9HL

Computer Company North of England
Turnover £2.5 million

Write Box H4949, Financial Times, One Southwark Bridge, London SE1 9HL

BUSINESS SERVICES

Exclusive serviced offices in W1 and Chelsea. Suitable for start-up operations and companies in the service industry, estate agents, advertising agencies, PR, publishing companies, consultancies etc.

- *) Accommodation address and answer service facilities available
- *) Conference & Boardroom facilities
- *) Secretarial services
- *) Fax/telex/photocopying facilities

Immediate availability
Please ring:
THE CHAMBERS PLC
494 2323 or 351 5763

Luxury Motor Vessel
"Veste Demite" berthed central London, River Thames available for private functions, river trips, meetings, Bar, catering facilities provided. Company/Private parties only.

For details telephone: 01-538 2522

Spain, Englishman Resident

Spain offers services to small businesses interested in the Spanish market. Personal contacts, local know-how.

Contact James Langdon-Davies on Fax 010347252430.

The Regus Centre London

- Executive Offices
- Conferences
- Communications
- Club Restaurant

Transfer Square 01-472 8529
London • Stockholm • Copenhagen

Housebuilding and/or Property Companies
required by substantial PLC £15m available

Write to Box 14029, Financial Times, One Southwark Bridge, London SE1 9HL

BUSINESS SOFTWARE

To advertise in this section please telephone Peter Shield, 01-573 3486 / 407 5764, or to write to him at the Financial Times, Number One, Southwark Bridge, London SE1 9HL.

ABC - ALL IN ONE BUSINESS PACKAGE
The only Full Double Entry Accounts Package which also includes the regular off-balance software. £198 + VAT. Contact us now for your FREE DEMO DISK.

ABC Systems (UK) Ltd
Contact: Pauline Monk
15 Riverbank, Welton-on-Thames, Bucks MK7 2PZ
Phone: 091 256 7000

INVESTORS
Do you sometimes buy when you should be selling? Do you sell when you should be buying? Ask for full details of our P.C. based trading systems or phone for a demo. Over 90% success rate on the FTSE 100 over five years! Let us show you how!

INVESTIX RESEARCH
15 Riverbank, Welton-on-Thames, Bucks MK7 2PZ
Phone: 091 256 7000

BE YOUR OWN FINANCIAL ADVISOR
Technical Analysis Workshops - would you like to learn more about Technical Analysis, the techniques involved, how indicators work, when and how to use them? Our countrywide workshops will be restricted to small groups so that you receive the maximum benefit - contact:

INVESTIX WORKSHOPS
15 Riverbank, Welton-on-Thames, Bucks MK7 2PZ
Phone: 091 256 7000

CAREER
A simple, yet powerful software package which allows recruitment agencies to "Jobmatch" applicants to vacancies, keep up-to-date databases records, keep a diary and run accounts (including salaries) - all on one PC.

HR MANAGEMENT SYSTEMS
HRM Software Centre
High St, Exch, East DAB 1HT
0222-320200

VETERINARY SURGERY
A new and comprehensive software package created to assist with available the practice. Handling the important areas of drug stock control, up to 1000 accounts, plus many other features. For more information contact:

HRM Management Systems
HRM Software Centre
High St, Exch, East DAB 1HT
Tel. 0222 320200

PREDICT THE STOCK MARKET AND IMPROVE INVESTMENT RETURNS
We offer a range of computer based automatic prediction and price up dating systems for private and professional investors. Ask for our free comprehensive information pack.

Geography Software - Tel: 0222-423222

R-BASE
The number one rated database software for microcomputers makes database management easier without losing power and speed. Join 60,000 users worldwide. Call for demo disk or information.

INVESTIX (UK) Ltd. 10 Progress Business Centre, Welton, Potters, Slough SL7 6DL. 0222 867612

MAKE THE RIGHT BUSINESS DECISIONS
Run your own business with THE ENTREPRENEUR Business Simulator and avoid the mistakes which so often lead to disaster. Takes you through finance, marketing and production before you start up.

CEHRS DAW - 0228 33858
April Computing, Tavris Road, Frodoham, Cheshire.

CENTRAL SOFTWARE
Financial Software of the highest quality.
Banking, Fund/Investment Management, Hire Purchase, Insurance, Finance, Export Finance and Deposits work with integrated Letter Writing and Recording.

JOHN OSWALD - 0284 24887
FAX: 0284 20725

DATAFILE DIAMOND
A comprehensive and powerful accounting system. Allows you to tailor the individual modules to your specific requirements. Available single or multi-user. The accounting solution for small or large companies.

Lotusfile Software
Bromwich, Enterprise Centre
Bromwich, L1 8SD
091 769 8028

EASY AS ABC
Integrated Accounting, Database & Wordprocessing. PC/AT/Apple II & Help Screens; works with colour or monochrome requires 512K RAM PC Compatible. £220 + VAT FREE DEMO DISK.
Consultancy & Hardware also available. Contact GBC Computers Ltd. (01) 251-7273.

FI STOCK CONTROL
For detailed supplies to B.S.C.A. etc. Accurate control from contract agreement through production to sales. 100 columns, 20 screens, 28 locations, 100 departments. Flexible reporting includes stock movements, availability, needs, etc. Powerful and easy to use with light bar menu, window etc. Tailored to your company's needs.

PL Ltd
01928 2229
01-233 8528

THE SANTA CRUZ OPERATING - SCO
Today's personal computer isn't just a "PC" anymore, you can now unleash its incredible power for yourself - Just add SCO. SCO is the leading software systems software and applications developer for IBM and UNIV systems environments - No. 1 for UNIV System Software.

SCO Supply Desk: 0223-819344

THE FREEDOM TO CHOOSE
Integrate an Office Automation solution which would allow you the freedom to choose your favourite stand-alone software packages, plus so much more!

SCO Office Portfolio is the solution - No. 1 for UNIV System Software
SCO Supply Desk: 0223-819344

WEEKEND FT REPORT/MUSEUMS AND GALLERIES

Putting a brave face on crumbling facades

Antony Thorncroft on a crisis for our institutions

IT IS A nice irony that 1989 has been designated Museums Year, in celebration of the centenary of the Museums Association. For it is in 1899 that the financial crisis which for some years has been threatening the flagship institutions, the nation's leading government and local authority funded museums and galleries, has finally arrived.

To a great extent the crisis has been disguised by the success of the independent commercial sector - the Jorvik and the Beaulieu - which have benefited from the increased prosperity and leisure time of the majority of the population. Museum attendances have risen steadily and, thanks to the special exhibitions being mounted by more than 2,000 museums to promote Museums Year, they could reach 100m this year.

However, this will bring little consolation to the directors of the Victoria & Albert, the Tate, and other national museums and galleries, who face the twin problems of how to balance the books financially and

appeared outside the building, which will raise the £1.25m needed to repair and clean the V & A's facade. Most nights of the week Esteve-Coll can be found entertaining existing and potential sponsors. Yet for all her success in raising cash from business, the V & A remains in a parlous and worsening state. She must wonder whether all the turmoil has been worth it.

Even one favoured government solution to financial problems - admission charges - is a poisoned chalice. The V & A may well introduce them in the autumn to replace the current voluntary charge, but the experience of institutions such as the National Maritime Museum, the Natural History Museum and the Science Museum, which have introduced charges, is that they lead to an immediate 40 per cent fall in visitors, with consequent knock-on losses in the takings of profit-making shops and restaurants. Those museum directors - like Neil MacGregor at the National Gallery and Sir David Wilson at the British Museum - who are opposed to charges believe that the sharp fall in admissions plus the uncertain financial return that follows make them a dubious expedient.

The museums and galleries are being forced to go for the easiest financial savings, and are not replacing wardens when they leave. This means some galleries are almost constantly closed, and that security suffers. The next step will be all-day closures. Morale has deteriorated. Gallery directors must spend an inordinate amount of time trying to raise money from business rather than on motivating staff and improving the display and quality of their collections.

They must also pay more attention to the wishes of their Trustees. In the past the Trustees generally took their lead from the director. Now the Government is packing Trustees with its supporters and with businessmen with the aim of boosting museum efficiency. At the same time it is putting new directors on limited contracts. The result is tension, and tension which is not always creative. Morale has deteriorated. Gallery directors must spend an inordinate amount of time trying to raise money from business rather than on motivating staff and improving the display and quality of their collections.

Unless the Government recognises that its funding targets for museums have been made a nonsense of by the rise in inflation and comes up with a large infusion of cash, the museums will crack up before our eyes. Business can never make good the difference, and the sums involved - the Tate, for example, needs £27m for repairs - in new building work cry out for an imaginative government gesture. It has handed over the museums to their trustees in a generally deplorable state. Wheezes such as de-accession (giving museums the power to sell off surplus treasures) will only provide minimal sums and lead to

tremendous rows with connoisseurs while discouraging future benefactions. It is an attempt by the Government to disguise its woeful failure to increase purchase grants over the past five years.

With the price of art in the salerooms spiralling, museums can rarely consider bidding for a masterpiece. Attempting to retain Turner's painting "Folkestone," valued at £20m and recently exported to Canada, in the UK would have absorbed the entire £13m annual purchase grants of all the national museums - and still have fallen well short. Any money raised from de-accession would not go to buying new objects but towards hiring wardens or patching up the roof. The plight of

local authority and university museums is often worse, so strapped for cash are their paymasters.

Yet there is cause for some hope. There has been a changeover in the leadership of most of our major museums. Young and energetic directors have come to the fore - Nicholas Serota at the Tate; Neil MacGregor at the National Gallery; Dr Neil Chalmers at the Natural History; Dr Neil Cussons at the Science; Guy Wilson at the Royal Armouries; Elizabeth Esteve-Coll at the V & A. Some, like Chalmers and Cussons, are attempting to turn their museums into businesses, able to hold their own in the leisure market place - and with some success.

The museums are also enjoying the benefits of the economic optimism of five years ago. The Tate has its Tate of the North in Liverpool and is investigating similar ventures (funding forthcoming) in Bristol and Norwich; in 1991 the National Gallery opens its Sainsbury wing; the British Library, the most expensive post-war building in the UK, rises in Euston Road; the Imperial War Museum reopens fully this month, wonderfully transformed. There is a great deal of vision and energy in the museum world. It needs the Government to respond



Elizabeth Esteve-Coll: a host of problems at the V & A

how to shore up their buildings, of which they have assumed direct responsibility from the Property Services Agency and which are showing worrying signs of imminent disintegration.

The situation at London's V & A is typical. More than 80 per cent of its annual grant goes on paying the wage bill. But its grant is to be raised by less than 3 per cent for the next two years, while the Government has negotiated salary rises with the Civil Service Unions who staff the V & A, at more than twice that level. Next year the V & A director, Elizabeth Esteve-Coll, faces the prospect of a wage bill in excess of her total grant, which will make paying for the telephone, electricity, travel and so on very tricky. In addition an audit on the state of the building suggests that there is a repairs backlog which will cost £50m to put right.

Of all the leading museums the V & A, along with the National Maritime, has done its best to tune into government thinking on the role of the modern museum. The director has suffered a damaging row with many of her senior colleagues by pushing through changes in line with a policy of making the museum more accountable to the public - and to business.

In the last month seven advertising hoardings have

appeared outside the building, which will raise the £1.25m needed to repair and clean the V & A's facade. Most nights of the week Esteve-Coll can be found entertaining existing and potential sponsors. Yet for all her success in raising cash from business, the V & A remains in a parlous and worsening state. She must wonder whether all the turmoil has been worth it.

Even one favoured government solution to financial problems - admission charges - is a poisoned chalice. The V & A may well introduce them in the autumn to replace the current voluntary charge, but the experience of institutions such as the National Maritime Museum, the Natural History Museum and the Science Museum, which have introduced charges, is that they lead to an immediate 40 per cent fall in visitors, with consequent knock-on losses in the takings of profit-making shops and restaurants. Those museum directors - like Neil MacGregor at the National Gallery and Sir David Wilson at the British Museum - who are opposed to charges believe that the sharp fall in admissions plus the uncertain financial return that follows make them a dubious expedient.

local authority and university museums is often worse, so strapped for cash are their paymasters.

Yet there is cause for some hope. There has been a changeover in the leadership of most of our major museums. Young and energetic directors have come to the fore - Nicholas Serota at the Tate; Neil MacGregor at the National Gallery; Dr Neil Chalmers at the Natural History; Dr Neil Cussons at the Science; Guy Wilson at the Royal Armouries; Elizabeth Esteve-Coll at the V & A. Some, like Chalmers and Cussons, are attempting to turn their museums into businesses, able to hold their own in the leisure market place - and with some success.

The museums are also enjoying the benefits of the economic optimism of five years ago. The Tate has its Tate of the North in Liverpool and is investigating similar ventures (funding forthcoming) in Bristol and Norwich; in 1991 the National Gallery opens its Sainsbury wing; the British Library, the most expensive post-war building in the UK, rises in Euston Road; the Imperial War Museum reopens fully this month, wonderfully transformed. There is a great deal of vision and energy in the museum world. It needs the Government to respond

local authority and university museums is often worse, so strapped for cash are their paymasters.

Yet there is cause for some hope. There has been a changeover in the leadership of most of our major museums. Young and energetic directors have come to the fore - Nicholas Serota at the Tate; Neil MacGregor at the National Gallery; Dr Neil Chalmers at the Natural History; Dr Neil Cussons at the Science; Guy Wilson at the Royal Armouries; Elizabeth Esteve-Coll at the V & A. Some, like Chalmers and Cussons, are attempting to turn their museums into businesses, able to hold their own in the leisure market place - and with some success.

The museums are also enjoying the benefits of the economic optimism of five years ago. The Tate has its Tate of the North in Liverpool and is investigating similar ventures (funding forthcoming) in Bristol and Norwich; in 1991 the National Gallery opens its Sainsbury wing; the British Library, the most expensive post-war building in the UK, rises in Euston Road; the Imperial War Museum reopens fully this month, wonderfully transformed. There is a great deal of vision and energy in the museum world. It needs the Government to respond

In praise of primitives

ART GALLERIES are not complaining too much about business just now, but there are signs that some customers are looking for something different. For that type of customer the galleries headed by Andreas Kalman, who specialises in English Naive Art, offer something quite outside the academic tradition.

Naive Art (or primitives, or folk art, call it what you like) has never taken off in Britain to the extent it has in America or Australia. Britain, for instance, hasn't got its Grandma Moses - but it still has a lot to offer.

Andreas Kalman has a great collection, housed in a converted schoolroom in Bath (Crane Kalman Collection, 0225-446020). Kalman is a Hungarian Jew who came to Britain in the late 1930s at the age of 16, established himself as a dealer in the *caveau garde*, was an early promoter of L.S. Lowry and now owns galleries in the West End.

I talked to Andrew, his son, who is at present heavily involved in the family gallery

in London's Sloane Street. Andrew is 25 and gave up stockbroking a few months ago to sell art. He told me about his experiences recently when he went to France to buy a picture.

"It was by the Australian, Rupert Bunny, and was of just two girls lying down fully clothed. Bunny went to France in the late 19th century and worked with Manet. It looked

like a bargain at around £15,000. I got to the sale and there were Britons, Americans and Australians bidding for it. It sold in two minutes for £360,000. I didn't buy it."

However, Kalman recommends English naive art for the collector. His painters include an itinerant who went round farms painting prize bulls for a shilling and who is now well sought after. The Sloane Street gallery houses an impressive

picture of a toy fair in Margaret Thatcher's Grandstream (artist unknown). With all the top hats and black coats you can mistake it for a funeral. The gallery is well worth a visit and the Bath collection is superb. Operating more in the mainstream of modern art, Jane Rangleley will soon be busy organising next year's Contemporary Art Fair at London's Olympia. Again the sponsor is British Airways. There will be other fairs, in Los Angeles as usual, and a new venue in Tokyo.

At the last Olympia event, which ended on April 2, 110 galleries exhibited and £4m worth of art was sold in four days. BA obviously takes its sponsorship seriously and believes that contemporary art collecting is the right image for first and club class fliers. It gives a £10,000 travel award to the most promising young artist. At Olympia this year one gallery, the Waddington, took £1.75m. "A lot of the pictures were very expensive," says Rangleley, "but you could buy something for £50. I believe there was a Henry Moore left unsold at £750,000..."

Alan Forrest looks at something different for the collector: Naive Art

Alan Forrest looks at something different for the collector: Naive Art

Imperial charges ahead in military expansion

Alan Forrest on the rebirth of regimental museums

FROM THE outside the Imperial War Museum looks pretty much as usual, the great guns pointing out over London's Lambeth and the green lawns glistening in the sun. But people going inside after the end of this month will see a very different Imperial, the result of a major building project over the last few years, costing in the region of £20m and producing what Museums Association director general Graeme Farnell has called "almost a new museum."

It will be opened by the Queen on June 29 and a few days ago I was given a preview of some of the goodies available to new and old visitors.

One section is devoted to The Cost of War, and those who cannot remember how tough it was in the early 1940s (and even those who can) will be impressed by being led into a World War Two air raid shelter to experience a "raid," complete with sound effects, including even a tape of a Cockney family indulging in shelter chat. After the All Clear, they will go out and see what a London street looks like after the bombers have finished with it.

This repeating theme - that war isn't about glory at all - makes the Imperial very special. As its director, Dr Alan Borg, said recently: "The Imperial is not a military museum. We are recording armed conflict in the 20th century. This ranges from the squalor of the Flanders trenches in World War One to World War Two posters telling women not to be too well-dressed, because that was unpatriotic."

One of the great gains from the development is the extra space for the museum's collection of paintings. The Imperial has one of the best collections of British 20th century art in the world - better even than the Tate, some experts claim.

There is a surge in interest in this, the 50th anniversary year of the start of World War Two

That is because so many of the leading painters and sculptors of the first half of the century were soldiers and war artists. But lack of exhibition space in the old museum led to many works to storage. The new galleries bring out a lot more of the Nashes, the Nevins, the Henry Moores and the William Roberts to public view.

But in this 50th anniversary year of the start of World War Two things are happening much further afield than the Imperial. Regimental museums countrywide report a surge in interest, and recently I was given a trip round a new museum growing on the hills behind Portsmouth Harbour.

Fort Nelson is one of what were called "Palmerston's Follies." When Palmerston was Prime Minister in the 1830s he was convinced that Britain was still in danger of being invaded by the French. So he had a series of forts built on Portsmouth, ready to put the invader to flight. They bristled with guns and troops and ammunition, but were never used.

Now, in what seems like a happy partnership between the Royal Armouries at the Tower of London and Hampshire County Council, Fort Nelson is being developed as what its pioneers hope will be the most impressive artillery park and museum in the south of England.

The first stages of the fort opened for business a little while ago, and though it still looks like an armed building site, one can see what the future holds. You can explore the tunnels where the fire power was stored, the spiral stairs that led up to the open air where the great guns were

able to new and old visitors.

One section is devoted to The Cost of War, and those who cannot remember how tough it was in the early 1940s (and even those who can) will be impressed by being led into a World War Two air raid shelter to experience a "raid," complete with sound effects, including even a tape of a Cockney family indulging in shelter chat. After the All Clear, they will go out and see what a London street looks like after the bombers have finished with it.

This repeating theme - that war isn't about glory at all - makes the Imperial very special. As its director, Dr Alan Borg, said recently: "The Imperial is not a military museum. We are recording armed conflict in the 20th century. This ranges from the squalor of the Flanders trenches in World War One to World War Two posters telling women not to be too well-dressed, because that was unpatriotic."

One of the great gains from the development is the extra space for the museum's collection of paintings. The Imperial has one of the best collections of British 20th century art in the world - better even than the Tate, some experts claim.

There is a surge in interest in this, the 50th anniversary year of the start of World War Two

That is because so many of the leading painters and sculptors of the first half of the century were soldiers and war artists. But lack of exhibition space in the old museum led to many works to storage. The new galleries bring out a lot more of the Nashes, the Nevins, the Henry Moores and the William Roberts to public view.

But in this 50th anniversary year of the start of World War Two things are happening much further afield than the Imperial. Regimental museums countrywide report a surge in interest, and recently I was given a trip round a new museum growing on the hills behind Portsmouth Harbour.

Fort Nelson is one of what were called "Palmerston's Follies." When Palmerston was Prime Minister in the 1830s he was convinced that Britain was still in danger of being invaded by the French. So he had a series of forts built on Portsmouth, ready to put the invader to flight. They bristled with guns and troops and ammunition, but were never used.

Now, in what seems like a happy partnership between the Royal Armouries at the Tower of London and Hampshire County Council, Fort Nelson is being developed as what its pioneers hope will be the most impressive artillery park and museum in the south of England.

The first stages of the fort opened for business a little while ago, and though it still looks like an armed building site, one can see what the future holds. You can explore the tunnels where the fire power was stored, the spiral stairs that led up to the open air where the great guns were

kept. There are many guns to be seen, including the famous Dardanelles gun brought by road from the Tower of London, where apparently its removal created a problem for the ravens who used its barrels for an occasional refuge.

The fort has World War Two guns, including German and Russian, tanks, one at least of which is being restored to go into action again, and even a Thunderbird missile. When all this is sorted out, the fort, complete with video tapes, firing sessions and re-enacted scenes, will be a draw for ex-gunsners and gunners *marque*, children, dads and mums.

Where is the money coming from? Up to now, the Hampshire-Tower partnership has worked well, the county council paying for the rebuilding work, while the Armouries is looking after all the work to be done on developing the museum. But to give the custodians the museum they want will involve an appeal for around £2m and some serious thinking about sponsorship.

At the moment the fort is open from 12 noon until 4.30 pm on weekends and Bank Holidays from March 25 to October 28. There is already a lot of worth seeing, so nobody need wait until the five-year plan is completed.

At the National Army Museum in Royal Hospital Road, Chelsea, just next door to the Pensioners, Julian Humphreys is high on objects about receiving sponsorship deal. The museum held a 1988 exhibition recording the military side of the coming of the House of Orange. MoMart, the international removal company, collected a high proportion of the objects, including some from the Netherlands and other parts of Europe, and delivered them to Chelsea free of charge. "We did better out of that than if we'd had £10,000 in cash," Humphreys says. Its cost was £10,000.

The Army Museum has two major exhibitions planned in World War Two anniversary year. In September it will feature the British Army at the Outbreak of War, covering recruiting and conscription and clashing with some vivid exhibits showing the Dunkirk evacuation.

The other exhibition, called *Five Lives to Bayona*, is more broadly dealing as it does with the soldier as a collector. The range of things soldiers did with their time when not shooting or being shot at is quite surprising. The butterfly collections were many; Highland *coeur* sergeants made quilts and the whole show will be an off-beat look at the British Army off duty. "It will start off with pure loot, like Napoleon's coffee service," Humphreys says, "and then move on to more creative things."

Looking to the 1990s and the redeveloped museum, 400 sq ft will be taken up with a permanent display of Siborne's famous model of the Battle of Waterloo, complete with guns and 6mm high soldiers. But in the meantime a lot of money has to be raised, from customers, sponsors, generous ex-army people and, perhaps, some more finance from the Department of Defence.

Touch down at The Royal Armouries.

See where the American footballer got his ideas for self-protection. Breastplate, shoulder and elbow guards, thigh plates and head visor are all like this sporting armour worn by King Henry VIII.

Come to the Royal Armouries and gasp at Great Harry's massive armour. Gaze in amazement at the armourer's artistry. Gauge the might of medieval armies from the serrated ranks of lances, halberds, swords and daggers.

History comes alive at Britain's oldest museum, The Royal Armouries at The Tower of London.

Sense it for yourself.

ROYAL ARMOURIES
AT THE TOWER OF LONDON

OPEN: 9.30-5.45 (Mon to Sat) 2.00-5.30 (Sun) - March to October
9.30-4.30 (Mon to Sat) Closed Sundays - November to February.

Enter a Fascinating New World.

On walking through the bright yellow doors of the Telecom Technology Showcase you and your class will be making the first steps on a fascinating journey through the world of telecommunications. From the first hesitant, crackling moments of the earliest telegraph to the space-age world of satellites and fibre optics, information packs on British Telecom's award winning museum, are now available. Please phone 01-248 7444 for details. ADMISSION FREE

TELECOM TECHNOLOGY SHOWCASE

It's Fun, Educational and Free.
TELECOM TECHNOLOGY SHOWCASE, 136 QUEEN VICTORIA ST., LONDON EC4V 4AT.

WHAT MAKES A MUSEUM SUCCESSFUL?

Ask any number of people what really makes a museum successful and you'll get any number of answers. Ask any museum administrator the same question and he or she will probably give you the one answer - "Management efficiency."

The Rose Management Consultants, sponsors of the Museums Association Annual Conference, have helped many museums to develop and implement more effective management techniques. We have worked with the largest national collections - and with the smallest local start-up displays.

We cover every business area of possible interest to museum administrators, including:

- Documentation strategy
- Corporate planning
- Catering reviews
- Marketing advice
- Training and development
- Motivation of personnel
- Computer advice
- Organisation reviews
- Effective records management
- Feasibility studies
- Revenue generation
- Financial control systems

Without management efficiency in all these areas, the best laid plans for making a museum successful - or even more successful - will not work as they should.

We ought to talk soon.

For further information, contact John Everett at the address below.

Touche Ross
Management Consultants

118 Essex, 1 Little New Street, London EC2A 3TB. Telephone: 01-526 3000.
Authorised to carry on Investment Business by the Institute of Chartered Accountants in England and Wales.

One of the World's Major Aviation Museums

The Fleet Air Arm
AVIATION EXPERIENCE

AND CONCORD 002

Royal Naval Air Station, Yeovilton, Somerset BA22 8HT. Tel: 01295 840555

RNAS - just off the A303 near Ilchester, Somerset

DONCASTER MUSEUM AND ART GALLERY

ART - HISTORY - FOLK LIFE

OPEN DAILY 10AM - 5PM
SUNDAY 2 - 5PM
(0302) - 734287

REMEMBER, IT'S FREE.

THE WIMBLEDON LAWN TENNIS MUSEUM

See the famous Centre Court and Wimbledon Lawn Tennis Museum, which display the history of the game, trophies and memorabilia. Films are shown in the museum theatre. Soccerz shop.

Open Tue-Sat 11am - 5pm
Sun 2pm - 5pm
Closed Mondays and Bank Holidays
Admission Adults £1.50
Children and O.A.P.'s 75p
Church Road, Wimbledon SW19 5AE
Tel: 01-946 6131

KEW BRIDGE STEAM MUSEUM

Massive steam pumping engines set in a Victorian waterworks.

OPEN DAILY 11 am to 5 pm
in steam weekends

Green Dragon Lane, Brentford, Middlesex,
(01) 568 4757

Museum of Modern Art Oxford

28 May - 23 July 1989

PHILIP GUSTON: WORKS ON PAPER

POSADA: MESSENGER OF MORTALITY

30 Pembroke Street, Oxford OX1 1BP
(0865) 726608
Tue - Sat 10am-6pm Sun 2-6pm Closed Mon

ASHMOLEAN MUSEUM OXFORD

PRE-RAPHAELITE DRAWINGS AND DRAWINGS BY JOHN RUSKIN

16 JUNE - 10 SEPTEMBER

Tuesdays-Saturdays 10.00-16.00
Sundays 14.00-16.00

Tel. (0865) 278000/278015

THE MUSICAL MUSEUM

The Most Extensive Collection of Automatic Musical Instruments.

Come and HEAR them. SEE Science and Music in Harmony.

OPEN: Saturdays 2 to 5 pm
(Also, Weds, Thurs, Fridays, July and August).

Admission cheap. Party Visits by Special Arrangement.

BASE

368 High Street, Brentford, Mdx. TW8 0ED

WEEKEND FT REPORT/MUSEUMS AND GALLERIES

What's on and where

FOR PEOPLE who want to know more, who maybe intend spending a holiday taking a museum-crawl and want to be pointed in the right direction, there is no better guide available than Museums & Galleries in Great Britain and Ireland, the 1989 edition of which is now on sale.

The guide gives a comprehensive list of more than 1,300 galleries and museums open to the public. They are listed in order of counties, and the guide also gives some succinct information on the type of exhibitions you might expect to see.

Greene Farrell, director general of the Museums Association, contributes an introduction setting the scene for Museums Year. He says: "We will be seeing exhibitions, new galleries, even whole new museums. Look out also for transport rallies, competitions and open days."

"Among the new museums which will be opening their doors in 1989 will be the Design Museum in London's Docklands, a new museum complex in Bury St. Edmunds and new transport museums in Hull and in Kirkcaldy (West Yorkshire).

In Staffordshire, the Valley Heritage Centre, an open air museum showing both local history and natural history, will open.

"The Havant Museum in Hampshire and Trowbridge's town museum both move to larger premises, while on a far larger scale the Imperial War Museum in London has undergone such a major rebuilding and refurbishment of its exhibition space that it can almost be considered a new museum when it reopens after a brief closure.

"And in York the extraordinary wealth of Rowntree's will be added to Kew's 'chocolate experience' - an appropriate time in that firm's history, perhaps, to record its long historical connections with the town."

Places featured range from the Freud Museum in London's Hampstead to the "largest boot and shoe collection in the world," which is in Northampton.

Appropriately in the 50th anniversary year of the start of World War Two, the special section on services museums is kept well up to standard - even the Royal Army Chaplains' Department Museum at Bagshot, Surrey, gets a mention.

The book is published by British Leisure Publications of East Grinstead, West Sussex (telephone 0342-26972) and costs £3.50.

Alan Forrest

Rosy future outside the shadow of Big Brother

INDEPENDENT museums are still growing. Their position is enviable in the museum world; with no national Big Brother around they can be more adventurous than some of the national institutions. However, nobody is being complacent.

Two of the independent sector's leaders recently talked about the Association of Independent Museums' plan for a study of the whole market, headed by Dr Nigel Horn of Standard Telephones, which will give them some guide in what they ought to be doing in the 1990s.

Jonathan Bryant, the association's new secretary, is chief executive of the Dundee Heritage Trust, whose triumph was to bring Captain Scott's Discovery to the Thames to Dundee and establish a heritage centre which will enshrine the city's past.

Bryant sees the AIM study project as a vital stage in the development of independent museums. So does Christopher Zeuner, the association's new chairman and the man in charge of the Weald and Downland Open Air Museum at Singleton, near Chichester in West Sussex, where a little corner of old rural England is recreated.

"The study is the most

important thing we have done," he says. "Independent museums have been doing very well, but maybe we have grown on building what the people wanted back in the 1960s. Now we have to take stock and see what we are going to do in the next 30 years."

Zeuner talked of two government actions which have given a knock to independent museums - the ending of tourism

Alan Forrest reports on the rapid growth of Britain's independent museums

grants and the changes in the Manpower Services Commission which will limit community service projects, a convenient way for museums to employ a lot of young people in a number of small but important tasks. Bryant echoes this anxiety, but takes pleasure in the fact that the tourism restrictions do not yet apply to Scotland, so there are schemes the Scots can still keep alive.

Most independent museums are charitable trusts and limited companies with Friends' organisations. It is the Friends who supply a lot of the voluntary work that the museums need to survive. "The amount

of voluntary work is amazing," Zeuner says. "It ranges from the person in the ticket kiosk to accountants, bank managers and lawyers who make their contribution at a higher level."

At the Science and Industry Museum in Manchester's Deansgate, Patrick Greene is enthused about developments in the independent area in the north, notably the Catalyst Museum at Widnes, the great new museum on the chemical

industry. "It doesn't seem a glamorous theme," he says, "but the presentation and design are quite exciting."

Greene emphasises the growth of museums as a source of regeneration of the inner cities. "We have been an important factor in bringing life to the city centre."

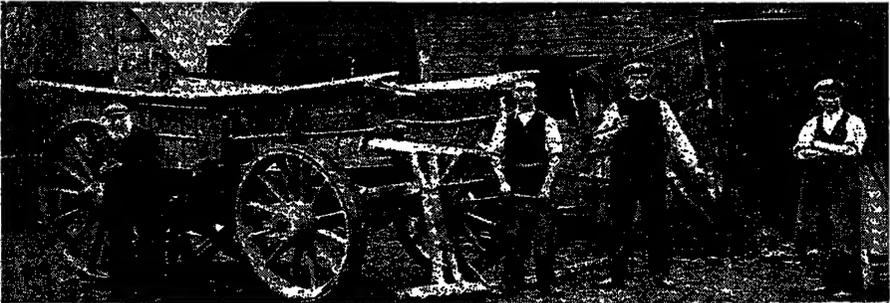
He has high praise for his Friends of the Museum organisation. A science and industry museum in a place like Manchester is closely concerned with steam, and Deansgate is hard at work building a replica of one of Robert Stephenson's 1830s steam locomotives which will eventually run around the

museum carrying customers. For this project the North-West Tourist Board contributed £12,000, the Friends raised £18,000 and other money came from local companies.

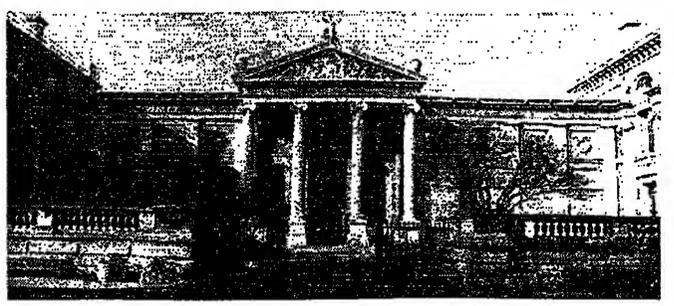
Among his Friends, Greene has Michael Bailey, marketing manager with the Manchester Ship Canal Company and a steam buff, along with "other people in professional life, teachers and bank managers, carpenters and welders, all involved in our steam plans."

Why are independent museums doing so well? Cynics may say that it is because they give the public what they want, and are really working in an area when museums cease to be museums and become show business. However, Zeuner, Bryant and Greene would have no sympathy with that view.

According to Dr Neil Cossons of the Science Museum, a former president of the Association of Independent Museums: "Independent museums are a spontaneous reflection of new disposable means and disposable leisure. They saw the opportunity and exploited it. Local authorities are realising that the potential is there for them, too, and the good ones are using it. The old-style local museums will have to move with the times."



A Sussex wagon, photographed in 1919. In the background is the Southwater smiddy, now re-created as one of the rural farming and country exhibits at the Weald and Downland Open Air Museum near Chichester



The Ashmolean Museum at Oxford University; facing a cash shortage

Crisis at the colleges

THIS YEAR is Museums Year. But what should be a year of celebration sees instead the country's oldest public museum, the Ashmolean at Oxford, forced to launch an appeal for £2.2m to simply pay the current reduced levels of teaching and research, conservation and public opening. The Fitzwilliam at Cambridge, its counterpart, is sending some 160 of its greatest treasures cap-in-hand on a tour to the United States.

In 1986 Alan Warhurst, Director of the Manchester Museum, wrote: "It is my belief that university museum provision is being cut back at a harsher rate than any other form of museum service, and that we have already reached disastrously low levels." Three years on, the situation is more threatening still. According to Christopher White, Director of the Ashmolean: "The irony is that the two oldest and most famous university museums are in the worst position."

University museums are funded by their respective universities, through government grants allocated by the University Grants Committee. As university grants have been frozen, three technician jobs have been downgraded, and clerical and secretarial staff cut back. The museum operates with a skeleton curatorial staff of 14, four less than the Ashmolean.

Next year's grant will increase by 1 per cent, but that is less than the rate of inflation; its purchase grant, a less than princely £8,636 in 1986-87, is now down to £2,100.

The vulnerability of collections held by hard-pressed universities was highlighted in 1985 by Newcastle's sale, and export, of the George Brown collection of oceanic and ethnographic art. That prompted the formation of the University Museums Group to lobby for the interests of university museums and to identify and list collections. The Museums and Galleries Commission has identified more than 150 such collections, of which half contain material of national distinction. Only 16 are acknowledged in funding allowances by the UGC.

One of the greatest problems facing university collections is the failure of both governing bodies and government to appreciate the cultural and educational value, and potential, of its holdings. There is little acknowledgement of present educational services, for towns as well as govns. The Ashmolean, for example, organises programmes for adults, children and the disabled, and receives only an annual contribution of £2,000 from the County. And there appears to be no interest in exploiting the collections now that art and design feature so strongly on the school and college curriculum.

What most hampers the UMG lobbying is the lack of concern of all government departments. The DES feels that it deals with universities but not museums, while the OAL feels that its brief is museums, not universities. To Professor Michael Jaffe of the Fitzwilliam, the situation is desperate. He has been frozen, three technician jobs have been downgraded, and clerical and secretarial staff cut back. The museum operates with a skeleton curatorial staff of 14, four less than the Ashmolean.

Next year's grant will increase by 1 per cent, but that is less than the rate of inflation; its purchase grant, a less than princely £8,636 in 1986-87, is now down to £2,100.

The vulnerability of collections held by hard-pressed universities was highlighted in 1985 by Newcastle's sale, and export, of the George Brown collection of oceanic and ethnographic art. That prompted the formation of the University Museums Group to lobby for the interests of university museums and to identify and list collections. The Museums and Galleries Commission has identified more than 150 such collections, of which half contain material of national distinction. Only 16 are acknowledged in funding allowances by the UGC.

One of the greatest problems facing university collections is the failure of both governing bodies and government to appreciate the cultural and educational value, and potential, of its holdings. There is little acknowledgement of present educational services, for towns as well as govns. The Ashmolean, for example, organises programmes for adults, children and the disabled, and receives only an annual contribution of £2,000 from the County. And there appears to be no interest in exploiting the collections now that art and design feature so strongly on the school and college curriculum.

Taking a fresh look at the food chain

EVEN THE dourest, most conservative Britons are nowadays more conscious of what they are eating. Environmental awareness and greater concern with personal health, aided by trend-setting media personalities, are to be thanked for this.

As a result, farming is no longer seen in bucolic isolation - yet the conceptual distance between packaged food on the supermarket shelves and its origin on the farm still remains great. However, the farming industry is working to put this right. Today Britain has about 120

museums dedicated to agriculture and rural life. Backed by 900 agriculture-related events this year, from fairs and major agricultural shows to farm trails, they offer a comprehensive map of British farming.

Celebrating Women in Agriculture is one exhibition out of some 15 staged this year by the Yorkshire Museum of Farming, in Marston, York. Other museums of varying size, featuring aspects of farming typical to their regions, may be found in places like Pontefract, Durham, Cumbria, and Newcastle-upon-Tyne.

To stay alive, museums nowadays have to offer a good deal more than still-life exhibits. Farming is specially suited to present a living picture of a vital human activity. The point is made in a project undertaken this month by farmers from Clapham, on the Yorkshire-Lancashire border, where a three-day event, organised in connection with British Food and Farming Year, will put on show the various skills of farming, juxtaposing the past with modern methods.

The Midlands too can boast an impressive selection of farming museums. Take, for example, Newark Houses Museum in Leicestershire, or Church Farm Museum in Skegness, which features displays on sheep rearing - "Woolly Days." Museums in Lincolnshire, Stafford and many other areas provide a rich tapestry of farming through the ages.

Castles are a prominent British feature. They lived off the surrounding farms whose economy, in turn, centred on the castle dominating the region, although often coexistence between the two was not a happy one. How the relationship worked may be seen in a display in one of the country's oldest inhabited castles, Rockingham Castle, in Market Harborough, Leicestershire. The exhibition is aptly entitled A Castle, its Land, and its People, 1100-1980.

But the Midlands' chief distinction in farming exhibitions and museums is that it hosts an event of major national importance on farming's

already crowded calendar of events: the Royal Show, held annually at the National Agricultural Show, Stoneleigh, Kenilworth, in Warwickshire. The Centre is purpose built for this huge exhibition, which displays the latest developments of the industry.

It is also the home of Britain's Rare Breeds Survival Trust, preserve and repository of Britain's old and now rare breeds of livestock, many of which would have disappeared were it not for the intervention of the Trust.

The Trust holds its annual show and fair at the Centre in September. Rare breeds of cattle, sheep and pigs used to be a curiosity. Now they attract many farmers, who cross them with commercial stock but also breed them to serve as a tourist attraction in a growing branch of farming - show farms, encouraged and often subsidised by the Ministry of Agriculture. The Rare Breeds Survival Trust Show and Sale is thus a living museum of British farming heritage.

East Anglia and the West

Country have, on the whole, retained a more rural character than other parts of Britain. In East Anglia has traditionally been Britain's bread basket and chief wool-producer, the West Country has been the country's milk churn. Farming museums tend to highlight the farming methods and idiosyncrasies of their respective regions: hops in Kent, milk in Westonsuper-Mare.

The south east probably has more farming museums per acre than any other part of Britain. Notable among these are the Museum of English Rural Life at the University of Reading, Berkshire, Museum of East Anglian Life, in Stowmarket, Suffolk, and the Museum of Kent Rural Life in Maidstone.

A list of farming museums exhibiting the year, with a calendar of events for the year can be obtained from British Food and Farming Year, Agriculture House, Knightsbridge, London SW1X 7NJ.

Elon Salmon

Advertisement for 'come in and see the world!' featuring a globe and text about discovering history and landscapes.

Advertisement for TRIDENT SAFEGUARDS LTD, offering gallery attendants and security services.

Advertisement for CITY MUSEUM AND ART GALLERY, located at Bethesda Street, Hanley, Stoke-on-Trent.

Advertisement for WELWYN ROMAN, featuring a third century site of baths under the motorway.

Advertisement for Williamson Art Gallery and Museum, located at Slaley Road, Birkenhead.

Advertisement for THOMAS BEWICK - BIRTHPLACE MUSEUM, located in Cherryburn, Middlesbrough.

Advertisement for LONG & RYLE ART INTERNATIONAL, located at 4 John Lane, London.

Advertisement for WREXHAM HAS THE ART, one of the leading galleries in Wales.

Advertisement for THE WATKINS COLLECTION, located at 3 miles from Sherburn.

Advertisement for THE NATIONAL WATERWAYS MUSEUM, located at Llanthony Warehouse, Gloucester Docks.

Advertisement for AYS COUGHTEE HALL, SPALDING, featuring a beautifully restored manor house.

Advertisement for SCULPTURES RELIEFS & DRAWINGS, featuring a Gimpel File.

Advertisement for MUSEUM OF THE YEAR, BEST IN BRITAIN 1986 - BEST IN EUROPE 1987.

Advertisement for BEAMISH, THE NORTH OF ENGLAND OPEN AIR MUSEUM.

Advertisement for THE WICK HOLLAND GALLERY, offering a dynamic programme of exhibitions.

Advertisement for Shugborough, an ancestral home of Lord Lichfield.

Advertisement for THE BOWES MUSEUM, located at Barnard Castle, Co. Durham.

Advertisement for UNIVERSITY OF NOTTINGHAM ART GALLERY, featuring a permanent collection.

Advertisement for CHILTERN OPEN AIR MUSEUM, located at Newland Park, Greatstone Lane.

Advertisement for POTTERS MUSEUM, located at Jamaica Inn, Bovebone Cornwall.

Advertisement for The Queen's Gallery, Buckingham Palace, featuring an exhibition of the finest in the world.

Advertisement for Bodleian Castle, featuring the style and magnificence of the 17th century.

Advertisement for THE SHOE MUSEUM, located at Street Somerset.

Advertisement for NAVAL HERITAGE, featuring the style and magnificence of the 17th century.

Advertisement for MUSEUM of ARMY TRANSPORT, featuring a new attraction 'WOMEN AT THE WHEEL'.

RELOCATION

WEST COUNTRY QUEST Ltd.
HOUSE HUNTING SERVICE

in Somerset, Dorset, Avon, S. & W. Wilts. Silton House, Silton, Gillingham, Dorset, SP8 5PR.
Tel. 0747 840919. Fax. 0747 840958

Moving to Norfolk?
Sit back, relax and let Norfolk Relocation Services find your Home.
King Tom Street, Norwich, Norfolk NR2 1JY
Member of the Association of Relocation Agents

M40 Corridor
The Ultimate Independent Relocation Service
Seeking a new home or business?
Eliminate stress, save valuable time.
Banbury + 15 miles approx.
Ring for Brochure and Further details.
RUSSELL ASSOCIATES
0295 272100

EXECUTIVE PROPERTY SEARCH LONDON AND HOME COUNTIES. Personalised service by experienced Property Consultants. Rosemary Place - 01-705 4190.

LONDON PROPERTY

EGERTON TERRACE, SW3

A rare opportunity to purchase a superb family house in this most exclusive cul-de-sac. Slightly wider than other properties in the terrace this key house which has been beautifully modernised offers excellent accommodation and a lovely west facing garden.

ENTRANCE HALL: RECEPTION HALL: FIRST FLOOR DRAWING ROOM: DINING ROOM: STUDY/MORNING ROOM: MASTER BEDROOM SUITE: THREE FURTHER BEDROOMS: TWO FURTHER BATHROOMS: KITCHEN/CONSERVATORY/BREAKFAST ROOM: CLOAKROOM: UTILITY ROOM: FRONT GARDEN: WEST FACING REAR GARDEN

48 Year Lease Price on Application
CHESTERFIELD & CO
CHELSEA OFFICE
166 WALTON STREET, LONDON SW3
TEL: 01-581 5234

PRUDENTIAL
Property Services

ONSLOW SQUARE, SW7 £285,000
An attractive well presented second floor flat with direct views over the square, conveniently located close to the shopping, transport and restaurant facilities of South Kensington. 4 bedrooms, 2 bathrooms, reception room, kitchen/breakfast room, large entrance hall with dining area, roof terrace. Lift. Lease 47 years.
CHELSEA OFFICE: 01-581 5211

DRAYCOTT AVENUE, SW3 £165,000
A delightful one bedroom flat on the second floor of an impressive period building ideally situated close to Sloane Square and the Kings Road. The flat would be ideal as a central London pied-a-terre or letting investment. Bedroom, bathroom, double reception room, kitchen, lease 123 years.
CHELSEA OFFICE: 01-581 5211

1 CLARENDON GARDENS, W9 £580,000
A most charming house finished to existing standards of quality and style, close to local shops and Warwick Avenue underground. 4 bedrooms, 2 reception rooms, two bathrooms, and cellar. Superb entertaining facilities. Freehold.
LITTLE VENICE OFFICE: 01-286 4632

68 CARLTON HILL, NW9 £795,000
Delightful period detached house located in sought after area of St John Wood. Accommodation includes five bedrooms, 5 reception rooms, 3 bathrooms, cloakroom, kitchen/breakfast room, and utility room. Also a second garden.
LITTLE VENICE OFFICE: 01-286 4632

PHILLIMORE ESTATE

Magnificent Kensington House, recently featured in house and garden. Although ideal for entertaining on the grand scale, the house is a welcoming family home.
Price on Application.
Telephone: 01-581 1956

MAYFAIR

Smart 2 bedroomed, 2 bathroom long lease flat.
Cut to £233,000.
Sale now urgent.
Best offer secures.
Tel: 0522 536189

FACING HYDE PARK
Exceptional new, refurbished flat. Over 100 sq ft. Prime location overlooking the park. Two bedrooms, two bathrooms, two reception rooms, two balconies, two terraces. Lease 99 yrs. £250,000.

PIMLICO BARGAIN
3rd floor 3 bedroom flat overlooking river Thames. Ideal company flat in prestigious development with communal gardens, portage.
Price reduced by £25,000 to £125,000
Offer until: 01-581 52408

THE COMPLETE PROPERTY SERVICE FOR SALE BY AUCTION THURSDAY 22ND JUNE

BLOOMFIELD TERRACE, BELGRAVIA, SW11
Highly desirable residence on three floors located close to Victoria Station and Sloane Square. 6 rooms, 2 kitchens, 2 bathrooms and utility room, rear garden.

RUSSELL ROAD, WEST KENSINGTON, W14.
Freehold four storey house arranged as eight units - investment. Situated close to Kensington High Street and Holland Park. Current income £12,472.84 per annum with potential for substantial increase or obtaining partial Vacant Possession.
(Total of 80 lots)

FOR FURTHER DETAILS OR A CATALOGUE CONTACT
63/65 GOLDHAWK ROAD,
LONDON W12 8EH
01-743-4444

PROPERTY

Out of Rachmann's long shadow
John Brennan on the new breed of landlord spawned by the Business Expansion Scheme

MOST OF the tax-driven Business Expansion Scheme investments are anchored to a bluntly commercial activity. The main exception, and the most politically sensitive of all the BES qualifying schemes, are those created under the provisions of the 1988 Finance Act to provide homes for rent.

In their first trawl of the investment market, the 60-plus BES residential lettings companies raised around £400m. Once that cash is invested fully, that would be enough to buy or develop 6,000 to 7,000 extra homes for letting at open market rents under the new-form assured tenancy agreements. It is a drop in the lettings ocean compared with the 5.6m council houses and flats, 1.6m other private rented homes, and the 564,000 housing association rented properties. But it is a drop that is likely to make a disproportionately loud splash, and nowhere louder than in the hyper-sensitive area of the rental market and property management.

Individual private landlords in Britain have been living in the long shadow of Perce Rachmann for 25 years. High-profile rogue landlords like him have, in effect, made owning someone else's home as socially questionable as the former Rent Acts - which, with their artificially controlled rents and hereditary security of tenure provisions, also made such ownership unviable commercially. As a result, private landlords have been a vanishing breed, with the proportion of non-council rented homes falling from 31 per cent to just under 7.2 per cent of UK households since 1981.

The radical changes applied to new rental agreements since the main provisions of the 1988 Housing Act and its Scottish equivalent came into force earlier this year are aimed specifically at encouraging a new generation of private landlords. And the ability to charge open market rents, as well as the broad range of rights to regain possession of a property, have largely resolved the commercial problems. But the new rules, and the new landlords they draw into the market, are simply too new to have been able to make any impact on public attitudes to private landlords.

How the new landlords treat their tenants will either help to dispel or reinforce the idea that profiting from a housing need is doubtful socially. For that reason, Terry Ward-Hall has taken on one of the most politically sensitive roles in the property market today. He is an improbable revolutionary. A former policeman and a professional housing manager, Ward-Hall joined the South Croydon-based estate agency arm of the Wates building group to reconstruct its commercial lettings operation. His arrival coincided with the launch of the BES rental schemes, and Ward-Hall persuaded Wates to let him develop a national residential management service for those companies.

Wates Letting and Management Services was formed to provide a one-stop commercial housing management system that would free BES investors from much of the administrative and accounting work along with all direct tenant-landlord matters.

It also offered an inventory service to save BES owners from having to count the spoons after every tenant had moved and, as a clincher, a rental guarantee under which Wates takes on the responsibility for ensuring that tenants



pay up.

In a matter of months, Wates has signed up management contracts on 300 BES homes for rent. While that is hardly a morning's round for a local authority housing manager, it makes the company the market leader in this new field. That is what puts Ward-Hall in the front line for inspection as the public face of the new landlords.

It turns out to be a face that bears little resemblance to the mass market housing manager of local authorities, and looks more to the kind of agency management applied to company rental properties. "Individual relationships" is what he is aiming for. "We insist on close management, and it does make sense to have

one manager to around 40-45 tenants so that there is a daily contact if necessary."

Initially, that means instructing local managing agents in parts of the country where there are not yet enough BES rental homes to justify appointing a Wates staffer. In those cases, Ward-Hall keeps up the contact by regular visits direct to the tenants to see if they are happy with the local agent's work.

He plans to build a national network of Wates' own managers over time. So far, he has avoided the seemingly logical source of property management skills - poaching housing staff from local authorities and housing associations. Instead: "We look for mature people who have the experi-

ence of being home-owners. Look at the average age of rental management staff in agencies. Most of them are in their early 30s. Our people are, on average, in their mid-40s, and they know what it's like to run a home. They have experience of life."

So much for the managers. But what of the tenants? The BES companies themselves went to great lengths to reassure investors that there would be minimal risk of rent defaults, or of finding homes full of long-stay tenants when the five-year holding period for tax exemption on the investment ended.

The prospectus from BES promoter Johnson Fry echoes points common to all the residential letting companies in its notes on the expected tenant profile. Johnson Fry says: "It is of paramount importance to find suitable tenants... Clearly, it is in our interest to encourage tenants who are usually mobile and who are unlikely to wish to remain in a house for in excess of four years."

To the private sector critics, that conformed up all the bad old images of landlord harassment. To Johnson Fry and the other tax-shelter companies, that meant students and mobile professionals and would-be first-time buyers renting only until they could gather the cash to acquire their own property.

On the evidence to date, Ward-Hall reports there is a pent-up demand for rentals, even when they do mean paying full commercial rates. He says: "There are people who are living with their parents who want to be in a home of their own, divorced and separated people, those whose jobs mean that the family moves to a new area for a time and who don't want to sell their own property; a fair number of more elderly people who have sold their home but don't want sheltered accommodation... all sorts of people seem to want to rent, and they're coming in through our having to advertise schemes. It's mainly been by word of mouth."

As these assured tenancy properties are only just beginning to come onto the market, it remains to be seen if there are enough households able and willing to pay open-market rents to keep up this initial surge of interest. However popular the properties are, with rents that Ward-Hall reports are producing average returns running around 5 to 7 per cent - in some cases, as high as 12 per cent - he is not in the social housing business. He can pick and choose the trouble-free tenants.

Ward-Hall makes all the final selections and he applies a tough set of criteria. "We look for people with established employment records and the ability to pay the expenses of running a house. We look for a stable relationship if they are not married, and some previous experience of running a home." References are asked for - and checked - and part of Wates' common system nationally is to have rents paid monthly in arrears by standing order, which not only simplifies accounting reports to the landlord, but also ensures that any prospective rent defaults are evident in a matter of days.

Scope to hand-pick the tenants, and keeping the ratio of housing managers to tenants low, are the kind of levels that local authorities can only dream about, makes Ward-Hall confident that the investor-landlords will not get an embarrassing reputation.

Estate agents warn of 'horror stories in store'

HAVE the BES residential schemes given enough thought to the management of the properties they propose to let? The Incorporated Society of Valuers and Auctioneers (ISVA) thinks not. And the estate agents' organisation warns: "The horror stories that may lie in store can only damage the already poor public image of the private landlord."

There is reason enough, in a period when agency fee income is stretched thin, for the ISVA to argue the case for appointing local agents to manage BES-funded rental properties. But in reviewing the schemes that have raised money to buy or develop homes for rent under the BES rules, the ISVA highlights a problem that should send investors back to their files

to see if their BES company prospectus falls into the prospective rogue landlord category.

Since the schemes are tax-driven, the ISVA is concerned that "long-term husbandry may be prejudiced by the philosophy of short-term profit." Merchant bank sponsors - with legal and accounting advisors who use surveys only to corroborate purchase prices and for "expressing vague opinions as to the successful outcome of the operation" - do not, in the agents' view, make ideal landlords.

The ISVA notes: "Few schemes publish a managing agent's brief, and those that do concentrate on managing agency remuneration rather than on a specification of duties. Several simply

nominate one of the directors as responsible for maintenance and administration of the estate, while some propose to rely on retention of the building contractor as developer as rent collector and caretaker for the mandatory five years."

Computerised rent-collection schemes may save on costs but they do not ensure a well-maintained set of houses or flats for sale at the end of the tax-holding period, or for an amiable landlord-tenant relationship.

The present crop of BES residential letting companies cannot yet determine the most attractive and the properties identified and bought. Who is going to manage what, and how, should certainly become a deciding factor for prospective BES investors.

organise their assured leaseholds to have vacant possession of good-condition properties for sale at the right time. And having an amateur landlord can hardly be the ideal basis for negotiating a sale with an existing tenant, or a sale as a going concern of the lettings company as a whole.

As the initial novelty value of the schemes has worn thin, and as the prospectuses for this year's selection of BES offerings start to be drafted, the ISVA's concern should filter through into more detailed planning of what happens when the money is attracted and the properties identified and bought. Who is going to manage what, and how, should certainly become a deciding factor for prospective BES investors.

CHELSEA HARBOUR

Life on the Grand Scale
Apartments, penthouses, houses for sale from £250,000.
Why not call in and see which home would suit you?
Chelsea Harbour, London SW10 0QL
Information Centre open 7 days a week 10am-6pm.
Ring 01-351 2300 for a brochure.
Shops, Restaurants, Marinas, Parking.

HAMPTONS **P&O AND GLOBE** **SAVILLS**
A joint development by P&O and Globe

10 HILLHOUSE ROAD, EDINBURGH

This attractive detached family villa on two floors is situated only five minutes from Princes Street in one of Edinburgh's most desirable areas. The property built in 1927 comprises on the ground floor: Hallway, bright bay-windowed Lounge, Family Room, Double Bedroom, Dining Room, Bathroom. Large newly fitted Kitchen with breakfast Bar, Utility Room.
Upper Floor: Hallway, 3 Double Bedrooms, Bathroom and Floored Attic.
The property has a Double Garage, beautifully landscaped Front Garden and Private and Secluded Rear Garden with Greenhouse, Patio Area and picturesque Fish Pond.
This delightful property is available at offers over £135,000.
For viewing by appointment - telephone 031 332 4213.
For further information contact Fiona Davis, Skene Edwards & Garton WS
5 Albany Place, Edinburgh 031 225 6645

KENSINGTON VAST MANSION FLAT
Direct communication City & Heathrow, 2,491 sq ft (231 sq m), lift, 5 double bedrooms, large drawing room and dining-room (seat 16) with balcony. Beautiful rooms overlooking lovely gardens. Some modernisation required. Family home or investment. Lease: 82 years. In the region of £268,000
Tel: 01 373 5273

REGENTS PARK ALBANY ST.
Magnificent 2 bed maisonette in Georgian building beside Park. 5 mins walk to Oxford St. 11 mins to Oxford Circus. 20' x 12' WC, 2nd floor, 2nd bath & guest WC, 2nd garage for 2 cars. 87 sq ft lease. £235,000
Tel: 0622 31448 Even & weekends

BALCONY FLAT STANLEY GARDENS, W11
In this glamorous area, favoured by fashion, film and music people, is a recently built a first floor flat of exceptional beauty in an imposing period house with windows & balconies to all rooms, garden view, magnificent 24' reception, 13' ornate ceiling, marble fireplace, 2 bedrooms, master bedrooms with marble oak fittings; stylish bathroom (could be two) spacious living room with original Victorian mosaic floor; superb communal gardens. Featured in Sunday colour supplement and Corran book. Needs a little refurbishment now, to create a classic and unrepeatable apartment.
Offers on £295,000 for 125 sq ft lease. Tel: 01-727 3287

RAVENSCOURT PARK W.6
Period family house, 4 floors beautifully renovated with balconies and 50 ft garden facing west over Park.
3 elegant reception, study, wonderful kitchen/breakfast, magnificent master suite, 4 further bedrooms, 2nd bathroom, conservatory and patio.
Ideally located for underground, city, shopping and all motorways west.
Must complete this summer.
FREEHOLD - Guide £495,000
Private sale: Tel 01-741-2564

CHelsea
Recently converted 2 & 3 bedroom quality flats. Floor terrace, garden, interior designed, curtains, carpets, marble bathrooms, cupboards, etc. Available from 5 June.
Tel: 01 731 0652 for details

AT BROOK GREEN W14
A new town house, comprising 4 bedrooms, 3 bathrooms (2 en suite), 35' reception room, dining room, fully equipped kitchen/breakfast room, cloakroom, balcony, private garden, parking, 24 hour high level security.
£245,000 FORT BIRMINGHAM SALE
Telephone: Drax 01-581 3771

MAYFAIR.
Smart 2 bed, 2 bath long lease flat. Cut to £233,000. Sale now urgent. Best offer secures.
Tel: 0522 536189.
WE TWO IMMEDIATE KENSINGTON FLATS 2-3 bedrooms, Long leases. £215,000 and £170,000. Best offers. Genuine Buyers Tel: 01-581-5211
RESIDENTIAL & COMMERCIAL. Fulham/Chelsea based. Freehold. 20 years. 2 weeks. 24 hour separate subs-office with development department. Tel: 01-581-5211. George Street L3 01-741 6480.

HAMPTON/THAMES.
Superb 3 bedroom Regency style property. Beautiful extension. Close to Regents Park, Little Venice, London Cricket Ground & short stroll from famous shopping streets & West End. All apartments with 2 luxury marble bathrooms. TV, Video, alarm, lift, video entry phone, dishwasher, washing machine, tumble dryer. Maid service.
Westminster Apartment Services
Tel: 01-286-5294
Fax: 01-229-3917

SAVILLS

PEMBROKE GARDENS, W8
Excellent newly decorated family use on only 3 flrs. Situated close to Holland Pk with a garage. 5 beds, 2 recs, 2 baths, lg kit with conservatory, cilm, gdn. £1000 per week.

ONSLOW SQUARE, SW7
Spacious 2nd flr flat overlooking the gdn sq with 2/3 beds, 1/2 recs, lg kit, 2 baths. £650 per week.

CULFORD GARDENS, SW3
Very attractive flat close to Sloane Square with 1 bed, recp rm, bath, kit, terrace. £350 per week.

132-135 Sloane Street, London SW1X 9AX
Tel: 01-730 0822

PORTLAND PLACE W.1.
SPACIOUS 3 BED, 3 BATH, FLAT. COMPLETELY REFURBISHED. FURNISHED/UNFURNISHED. UNDERGROUND PARKING AVAILABLE. AROUND £700 PW.
TEL: 01-340-8131

CHRISTOPHER ST JAMES RENTALS PLC.
For all Landlord and tenant enquiries in London, Surrey Sussex. 01-879 7622.

SHORT & LONG TERM LETS CENTRAL LONDON

Luxury 2 bedroom apartment house suite. Close to Regents Park, Little Venice, London Cricket Ground & short stroll from famous shopping streets & West End. All apartments with 2 luxury marble bathrooms. TV, Video, alarm, lift, video entry phone, dishwasher, washing machine, tumble dryer. Maid service.
Westminster Apartment Services
Tel: 01-286-5294
Fax: 01-229-3917

NATIONAL COUNTRIES
SPECIALIST FURNISHED LETTINGS
WHY PAY LONDON RENTAL PRICES?
Top quality properties available in country with all the amenities of London, Wiltshire - Weybridge. Tel: (03727) 21745
Further properties always required in ESSEX/CORNWALL and surrounding the our Embassy and executive offices.

LONDON HAMPTHEAD HEATH
Spectacular brand new property overlooking lakes and heath. 2 beds, 2 baths en-suite, large lounge, Roof terrace. Fully fitted Bosch kitchen. Furnished/unfurnished £275 p.w.
Tel: 01-794 2184

LANARK - SCOTLAND
Superior country property. Lanark 5 minutes, Glasgow and Edinburgh 40 minutes. Large modern house with 1 year old, comprising 5 spacious apartments, kitchen, utility room, shower room, 2 bedrooms.
Caravan Park licensed for 20 touring vans. Fishing lake fully stocked with rainbow trout. 40 acres of land with over 60' x 60' pool.
Contact T H Campbell & Cochrane, Solicitors, 36 Muir Street, Motherwell, Tel. 0696 65255.

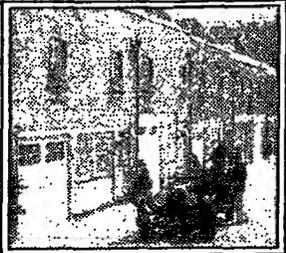
WEST GLOS.
First class country residence 15 mins. Severn Bridge. 6 Beds, 3 Baths farmhouse including a grannary annexe. Excellent outbuildings suitable for farming or equestrian use, and 23 Acres of prime pasture. Price on application and particulars from Reunice Agricultural (part of Cornerstone - Abbey National Estate Agents), 1 Agincourt Street, Monmouth, NP5 3DZ. (0660) 2916.

DEVON - BOWLINGTON, 204 ACRES. Oxford 8 hrs. Gloucester 8 miles. Barnstaple 15 miles. 1400 (under construction) 4 miles. Closest to golf course, clubhouse and hotel. In beautiful rolling country beside Oxford Canal. Accessible position on the A4000. 18 population centres within half hour drive. 3 waterfalls, 2 ponds, 20000 sq ft of sports lawns. For Sale freehold. SAVILLS, Barnstaple (0298) 345.

CONVERTED CHAPEL. Carmarthen 8 miles. 600 sq ft. 12 miles outside village. 1/2 acre south facing garden. 3 beds. Solid fuel. C.A. 175,000. Tel (02924) 497.

DEVELOPMENTS

2-6 CONNAUGHT CLOSE,
HYDE PARK, LONDON W2
**A RARE CHANCE
TO BUY A CLASSIC
INVESTMENT**



Beautifully restored 3 bedroom character homes with garaging, tranquil cobbled mews, 5 minutes from Hyde Park. 97 year leases £395,000

Selling agents:
STUART WILSON
01-235 0725

64
ADDISON ROAD
one of the most prestigious roads in Holland Park

An imposing, detached villa, reconstructed to provide impressive flats of the highest quality -

- With Private car Parking
- Superb Reception Rooms
- 2-3 Bedrooms • 2 Bathrooms
- All Amenities

PRICES £275,000-£525,000
Show Flats Open Sunday
11.00am-4.00pm

JOHN WILCOX
01-602 2352 & 09

PROPERTY

An estate agent's delight - watching the myths roll in

John Brennan reveals how homes acquire a history to improve their sales appeal

TO YOU, it is just another flat for sale: one more tastefully decorated apartment in a market packed with not dissimilar properties. Yet, each of the new and refurbished homes launched on to an indifferent market, has its own story, a prehistory, if you like, that lies invisible behind the seamless sales programmes.

Scratch the surface of any new enclave of executive homes and you will uncover months, perhaps years, spent on site spotting, organising options to buy, acquisition negotiations and site trading. There will have been meetings between developers and banks, exhaustive discussions with the planners, contractors, site managers, sales agents, sales staff, viewers, and mortgage providers. Before anyone gets a key into their new front door an army of people will have been involved directly or on the margins of a project that, on the surface, has yet to acquire any history.

Where there is no real history to a site before the bulldozers start work, house-builders are masters at finding one. Buyers' taste for new homes runs to facades drawn from any age - except our own - whereas interiors are closely modelled on the sets of TV series.

Small wonder that companies such as Cussons Green Homes turn the clock back to house style names like The Churchill, The Eden and The Asquith for their top-of-the-range properties. Barratt attaches traditional country names to its housing types and builders across the country plump for names with stability, from tree types to houses branded after other, earlier architectural ages.

Now that nearly half of all new homes in Britain, and substantially more than half in the south east, are built on land reclaimed from other uses, the

actual prehistory of new homes on these sites has to be sifted with care. The truth can be a major marketing plus, or minus, and selectivity determines sales. The marketing programmes for new estates developed on the site and grounds of former health authority mental hospitals rarely emphasise their immediate past history. But, transform an old pepper importers' warehouse into homes, and the sales material and the name of the building will be liberally doused with old spice.

Kentish's redevelopment of the former Bryant & May Match Factory in Bow may owe its sales success to the factory's position in labour history as the focus for the 1888 match girls' strike. But, as a place of pilgrimage for union delegations from around the world, Kentish's buyers certainly have got their money's worth as far as that property's prehistory is concerned.

Regalian Properties is expert at selecting and discarding the most saleable references to the past when it revitalises buildings. The group's Fryer Trade Wharf development in Docklands is substantially new, yet the whole scheme, not just the core of stone buildings, holds to that confident name. History bestowed no such favours on the run-down, former council-owned, Livingstone estate in Battersea, so the past was expunged and the height, rather than the history of the scheme's central, refurbished tower block, provided the logic for its new name, The Falcon.

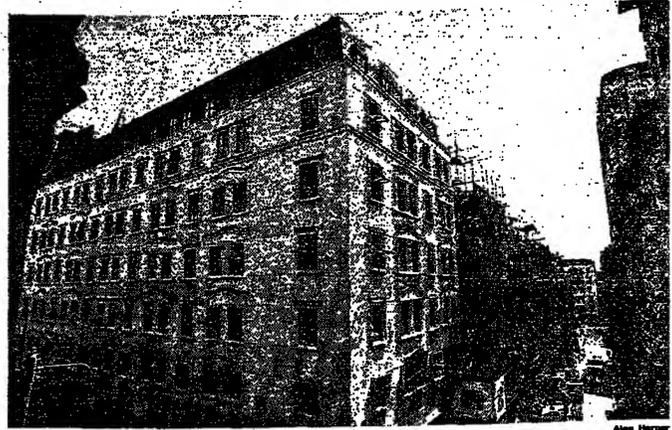
Regalian's work in remodelling former police and health authority flats blocks has called for a similar sensitivity to the past. There are no blue lamps and tracheas on display in the one-time Kensington police block on the Brampton Road. Strikingly restored, it is now renamed Crown Lodge.

At Declan Kelly's architecturally impressive Carlton Gate apartments in London W9, a lake-landscaped "symphony of modern elegance" sweeps away traces of the old hospital by the canal; the "harmonious lifestyle of Maida Village" smooths over the less appealing images of medium to high rise flats on the Paddington/Maida Vale borders.

Much of the real background to any residential development is fated to fade with the memory of those directly involved in the building work. A single corner site illustrates the point. Right now the scaffolding is up and the builders are envisaged. To combine the council's wish for residential space with the need to make the scheme pay, the final drawings from Imry's architects, Selferts, included an extra floor and made allowance for 25,000 sq feet of flats along with the 79,000 sq feet of office space.

Months before planning consent was granted, in the autumn of 1987, discussions between the developers, architects and prospective sales agents centred on what kind of flats should be carved from the office building. Ivor Hunt, of Prudential Property Services (01 629-4513) which, with Knight Frank & Rutley (01 224-5171), was eventually instructed as joint agents on number 76, recalls that, as a purpose-built office block, the windows were in the wrong place for the room arrangements. Conversely, office floor heights worked in the developer's favour. "It has meant that all the services can be placed in a false floor beneath the units."

Knight, Frank and Rutley and Prudential were drawn into the work at the design stage, advising on how to use that 25,000 sq feet and coming up with 23 - mainly two-bedroom - apartments to meet expected demand in St



The development at 76 Jermyn Street, London, SW1

James's. Everything from the room layouts to the fittings and finishing, as well as the eventual management and servicing of the apartments, went into the discussions. St James's is a contractor's nightmare as a site, and much of the non-technical work of Imry's project manager, Colin Mann, involved setting up and maintaining good relations with the neighbours.

The awkwardness of site access called for regular meetings with local traders and residents, the council environmental staff, and the police, within strictly defined times, 8am to 6pm weekdays, 8am to midday on Saturdays and no building on Sundays.

While Imry and McAlpine are not likely to win any awards for the scaffolding strung out over the Jermyn Street edge of the site, it has enabled the shops there to continue to trade throughout the building programme.

While sales marketing plans were discussed, the joint residential agents were working through the fittings and finishing details with the architects and eventually with Charles Hammond, the interior decoration group chosen to create a show flat within the construction site. As Mann organised his meetings the lawyers were busy drafting lease terms and the agents were selecting design work for the eventual sales material.

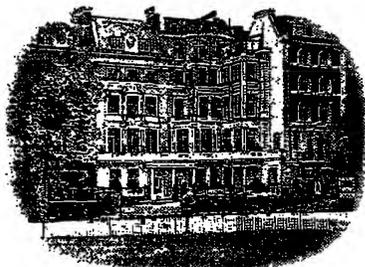
Final decisions about the launch prices of the flats were not taken until late March, just weeks before the show flat was ready, and the first advertising for the scheme booked. Says Hunt: "What happened was that we held to initial prices discussed around Christmas." The first phase of eight of the 23 apartments, served by two, eight-person lifts, and fitted with built-in kitchens, marble bathrooms and gas log fires, were priced between £340 and £380 a sq foot for 126-year leases; the secure car parking spaces are such a rarity in the area that no-one blinks at a price of £40,000 apiece.

Four sales of flats priced from £470,000 to £645,000 were made in the first couple of weeks. Before autumn the scaffolding there will be gone, and only the Quaglino site team will know that the uncovered windows have not always been in those positions.

Before the year is out this particular corner of St James's will have been taken apart and put back together again in a way that reassures the tourists that nothing dramatic has altered the shape of the neighbourhood since Henry Jermyn's laid out the street lines.

The first buyers at 76 Jermyn Street have had the opportunity to see a little real home history in the making. By the time they sell on the only direct link with that part of the past will be the estate agent's continuing role as managing agents on the block, and by then the myths will have rolled in.

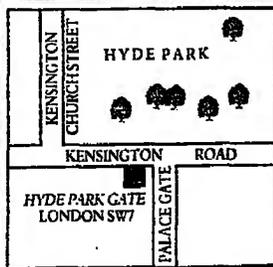
**BRAND NEW STUDIO
AND ONE BED APARTMENTS
OPPOSITE HYDE PARK
FROM AN INCREDIBLE
£115,000**



See London's most prestigious development now

- 24 exquisite 'new build' Queen Anne style apartments
- Large elegant reception rooms
- On the edge of Hyde Park
- Many with patios and balconies
- 10 year NHBC guarantee
- 125 year lease
- En-suite luxury bathrooms
- Fully fitted luxury kitchens
- Easy access to City and the West
- Elegant marbled entrance hall
- Resident porter and video entrance hall
- Centre of London shopping and cultural amenities

58-59 Hyde Park Gate



A development by
Fairclough Homes
01-235 0725
Fax: 01-235 2552

Selling Agents
STUART WILSON
01-491 4235
Fax: 01-629 9835

VISIT OUR SHOW APARTMENTS OPEN DAILY 11AM-7pm

01-584 6535

PRUDENTIAL



ASCOT
M4 15 minutes Waterloo 40 minutes

A high potential development of 11 luxuriously appointed luxury style apartments by the sea. Development is a detached mansion just off the High Street. 2/3 or 4 bedrooms each with en suite bathroom or showers. 2/3 reception, lift, basement parking, 2 acres. 3 flat remaining. Price from £265,000. FULLY FURNISHED SHOW APARTMENT. Agent Office: 41 High Street, Ascot. Tel (0994) 25023

COUNTRY PROPERTY

Jackson-Stops & Staff

Devon, South Hams

Plymouth 6 miles. South Coast 4 miles.
RESIDENTIAL DEVELOPMENT SITE.
An exceptional farm development site of about five acres, in a lovely rural position close to Plymouth.
Full detailed Planning Permission for the conversion of existing buildings into nine distinctive homes, arranged around a Green. Farmhouse for division into 3 dwellings. Four individual barns for conversion.
3,700 square feet barn for conversion into 2 units.
Mains services available to each lot. All with gardens and grounds. In all about 5 acres.
For sale by Public Auction in 6 lots on 12th July 1989, at 3.00 pm at the Duke of Cornwall Hotel, Plymouth.
Apply: 10 Southam Way, Exeter EX1 1JG.
Telephone: (0392) 214222.

Convenient for Manchester, Chester, Liverpool, Warrington and the National motorway network (3 miles)



GRANGE GREEN FARM
MILL LANE, HIGHER WALTON, CHESHIRE

Planning consent exists to convert this outstanding period farmhouse and traditional range of outbuildings into seven prestigious dwellings. The properties will provide at least two reception rooms, kitchen, four bedrooms, two bathrooms and a garage each enjoying superb views and a generous land allocation.

FOR SALE BY TENDER (Closing date for tenders 21st July 1989)
For further details contact our Knutsford Office Ref: FIA/VMH
Frank R. Marshall & Co 0565 33461

FOX & SONS
ESTATE AGENTS

A development of superb apartments by Parkraven Securities Ltd

VANBRUGH COURT, HOVE SUSSEX

2 BEDROOMS FROM £115,000
3 BEDROOMS £160,000
All with balcony, 2 bathrooms, and reserved parking space.

One of the finest residential positions in Hove. 5 minutes walk to mainline station/principal shops. Easily accessible east and central Brighton.

• Double Glazing • Scherzer fitted washers • Gas central heating
• Kitchen includes Zircon, oven, hob, fridge/freezer, washing machine, dishwasher.
• NHBC Guarantee • 2 Passenger Lift • Video entry system

SOLE AGENTS Brighton Office (0273) 792921

SHOW FLAT OPEN 7 DAYS A WEEK 11AM TO 4PM

STRUTT & PARKER

SUFFOLK
Bury St. Edmunds 7 miles. Sudbury 11 miles, Haverhill 13 miles.

A productive commercial and residential farm with a spacious and elegant home
15th century 5 bedroomed farmhouse

Two self-contained flats.
800 sq ft general purpose building
200 sq ft weaver unit
Fully drained Grade 2 and 3 land

For sale as a whole
Joint Agents: Lucy Scott, 10 Rishypate St.
Bury St. Edmunds Tel. (0284) 7663537
Strutt & Parker.
Chelmsford Office: Canal Hall, (0245) 258201
Ipswich Office: Tel. (0473) 214842 (Ref:2AA6485)

BRIGHTON NEW
State of the Art Home with (nearly) everything 4,500 sq. ft. of outstanding quality. Walking distance Preston Park Station

Fitness centre with gym (fully equipped) Sauna, steamroom. Heated swimming pool. Landscaped grounds about 0.7 acre. Computerised alarm system with video entry control digital doorlocks. 5 beds, 4 with own bathroom suites, 40' family room, large lounge, superb kitchen and utility rooms.
Double garage.
FRESHOLD FOR SALE
Replica to: Sperris & Co (7 days) (0273) 207101

WORCESTERSHIRE - SOUTH MIDLANDS
WORCESTER 2 MILES, M5 MOTORWAY JCT. 6, 2 MILES

A SUBSTANTIAL GEORGIAN COUNTRY HOUSE with traditional outbuildings with potential for alternative use including offices, institutional or commercial usage (subject to planning)

IN ALL ABOUT 3 ACRES.

Offers based on £375,000 Freehold.

Bernard Thorpe
Foregate Street Worcester W1 1JH (0905) 28366

Jackson-Stops & Staff

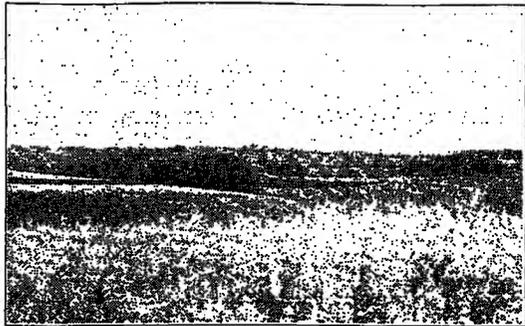
Oxfordshire/Gloucestershire Borders
Broughton Pagns near Lechlade, Burford 5 miles. Lechlade 3 miles.
An elegant substantial period property, originally the coach house to Broughton Hall, in 3/4 acre garden.
Reception hall, study, drawing room, sitting room, large kitchen/breakfast room, utility room, cloakroom, 5 double bedrooms, 2 bathrooms.
Annexe: reception hall, 2 bedrooms, shower room, kitchen, drawing room.
Double garage.
£385,000
Apply: 112 High Street, Burford OX8 4DZ
Telephone: (099582) 2661

SAVILLS

FARMS & ESTATES



OXFORDSHIRE **1,300 ACRES**
The Pusey Estate
 A classic English landed estate of 1,300 acres in the heart of the Oxfordshire countryside.
 A fine Georgian country house overlooking renowned formal gardens and ornamental lake.
 A superb park with well managed woodlands.
 7 houses and cottages in and around the village of Pusey.
 Excellent arable and dairy farm with 2 farmhouses, 6 farm cottages and good buildings.
 For sale by private treaty as a whole or in 2 lots.
 Cluttons, London. Tel: 01-499 4155.
 Cluttons, Oxford. Tel: (0865) 246611.
 Savills, Banbury. Tel: (0295) 3535.
 Savills, London. Tel: 01-499 8644.



LINCOLNSHIRE WOLDS **6,082 ACRES**
The Louth Estate
 An area of outstanding natural beauty.
 6,082 acres in total.
 1,023 acres vacant possession.
 5,059 acres in 7 holdings.
 Let and producing £246,560 per annum.
 6 farmhouses and 32 cottages.
 For sale by private treaty.
 Prudential Property Services,
 Huntingdon. Tel: (0480) 56171. Sleaford. Tel: (0529) 302946.
 Cluttons, London.
 Tel: 01-408 1010. Harrogate. Tel: (0423) 523423.
 Savills, London.
 Tel: 01-499 8644. Lincoln. Tel: (0522) 534691.
 Contact: Christopher Smith.



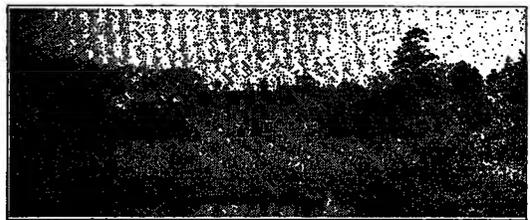
NORFOLK **4,900 ACRES**
 Acre 2 miles, Norwich 10 miles.
The Cantley Estate
 One of the finest commercial farming estates in East Anglia.
 4 large period farmhouses.
 47 cottages.
 Dairy, sheep and arable enterprises.
 Substantial wildfowl and pheasant shoot.
 Certain and potential developments.
 Savills, Norwich. Tel: (0603) 612211.
 Contact: Christopher Miles.
 Savills, London. Tel: 01-499 8644.
 Contact: Crispin Holborow.



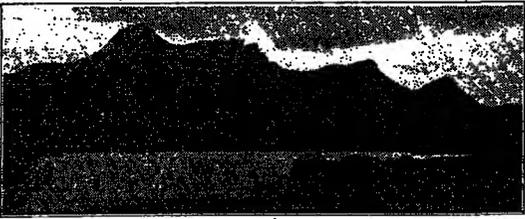
NORFOLK **1,444 ACRES**
 Norwich 15 miles, Fakenham 9 miles.
The Guestwick Estate
 High quality farming estate with substantial Grade II listed farmhouse.
 6 bedroom farmhouse. 4 cottages.
 3,000 tonnes grain storage.
 Barns with conversion potential.
 Savills, Norwich. Tel: (0603) 612211. Contact: Christopher Miles.
 Savills, London. Tel: 01-499 8644. Contact: Crispin Holborow.



NORFOLK - Near Norwich **805 ACRES**
 Norwich City Centre 8 miles, London Liverpool Street Station 100 minutes.
 An outstanding residential and commercial farm in attractive, unspoilt countryside.
 Impressive period house in superb elevated position enjoying fine views.
 3 cottages. Range of modern and traditional farm buildings.
 Irrigated productive arable land, pasture and woods.
 Large sugar beet contract. Potato quota available.
 Good shoot.
 Savills, Norwich. Tel: (0603) 612211.
 Contact: Christopher Miles.



STAFFORDSHIRE - Chartley **812 ACRES**
 Stafford 6 miles, Uttoxeter 6 miles.
 An exceptional residential and sporting estate.
 The Chartley Hall Estate - 812 acres of rolling countryside comprising:
 A most impressive moated manor house with an ornamental lake set in beautiful parkland containing the remains of Chartley Castle.
 Attractive farmhouse, 6 cottages, 3 ranges of excellent farm buildings.
 Superb shoot, keeper's cottage.
 For sale as a whole by private treaty.
 Joint Agents:
 Savills, London. Tel: 01-499 8644. Evans & Evans, Stafford. Tel: (0785) 42426.
 Contact: Justin Marking or Katie Armytage.



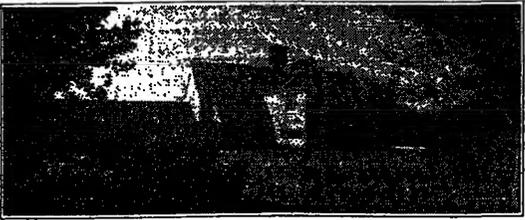
SUTHERLAND **24,000 ACRES**
Near the North Coast
 Tongue 8 miles, Inverness Airport 75 miles.
 Ben Loyal Estate - a spectacular sporting estate with superb stalking amidst magnificent mountain scenery including Ben Loyal (2,504 feet).
 Loch Loyal Lodge, 2 farmhouses and 4 cottages. Productive in-hand sheep farm.
 Exciting stalking with exceptional stag weights.
 Fishing on Loch Loyal, excellent rough shooting.
 For sale as a whole with vacant possession.
 Offers over £600,000.
 Savills, Edinburgh. Tel: 031-226 6961.



SUFFOLK - Lidgate **About 485 ACRES**
 Newmarket 5 miles, London 1 hour, Bury St Edmunds 11 miles.
 A fine residential farm, adjacent to one of Suffolk's most attractive villages.
 Delightful 6 bedroom principal house.
 Attractive farmhouse, currently comprising 2 semi-detached cottages.
 2 ranges of modern and traditional farm buildings.
 Grade 2 arable land.
 As a whole or in 2 lots. For sale by private treaty.
 Freehold with vacant possession (save for cottage occupancies).
 Savills, Ipswich. Tel: (0473) 226191. Contact: David de Boinville.



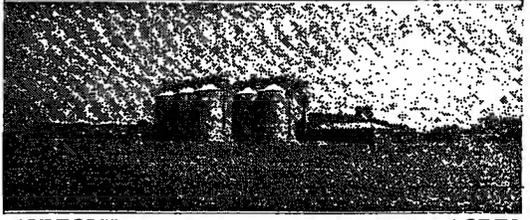
NORFOLK **1,200 ACRES**
 East Rudham 1 mile, Fakenham 5 miles, Kings Lynn 14 miles.
The Coxford Abbey Estate
 North Norfolk sporting estate with attractive farmhouse and irrigated arable land.
 5 bedroom period farmhouse.
 6 cottages.
 200 acres of woodland.
 Alternative use potential.
 Savills, Norwich. Tel: (0603) 612211. Contact: Christopher Miles.
 Savills, London. Tel: 01-499 8644. Contact: Crispin Holborow.



SUFFOLK - Stowmarket **860 ACRES**
 Ipswich 12 miles, Bury St Edmunds 14 miles, A45 3 miles, Stowmarket/London Liverpool Street Station 93 minutes.
 A productive commercial and residential estate, set in unspoilt mid Suffolk countryside, with excellent communications.
 Period moated residence, centrally positioned with 4/5 reception rooms, 4 bedrooms, 2 bathrooms, 5 attic bedrooms, swimming pool. Attractive modern Lodge with 2 reception rooms and 4 bedrooms. Grade II period farmhouse with 2 reception rooms and 3 bedrooms, in need of repair. 2 pairs of cottages. Excellent versatile modern farm buildings including 1,800 tonnes grain storage and potato store. Extensively drained Grade 2 and 3 arable land. 25 acres soft fruit. Established PYO outlet.
 For sale as a whole or in lots by private treaty.
 Savills, Ipswich. Tel: (0473) 226191. Contact: Peter Sturt.



WILTSHIRE - Yatesbury **875 ACRES**
 Calne 4 miles, Marlborough 10 miles, London 83 miles.
 A fine commercial arable and stock farm with a large period farmhouse and comprehensive range of high quality modern farm buildings.
 High proportion Grade 2 land.
 2 good semi-detached 3 bedroom cottages.
 Excellent 3 bedroom modern bungalow.
 For sale by private treaty as a whole or in lots.
 Savills, London. Tel: 01-499 8644.
 Savills, Bath. Tel: (0225) 444622. Contact: Mark Crimes.
 Savills, Salisbury. Tel: (0722) 20422. Contact: Nigel Foster.



NORFOLK **1,380 ACRES**
 Swaffham 3 miles, Norwich 25 miles, Kings Lynn 14 miles.
The Sporle Estate
 A superb well rounded farming estate.
 4 bedroom period farmhouse.
 7 cottages.
 Fertile, easy working land.
 Fully automated grain storage system.
 Over 50 acres of woodland. Small enjoyable shoot.
 Savills, Norwich. Tel: (0603) 612211. Contact: Christopher Miles.
 Savills, London. Tel: 01-499 8644. Contact: Crispin Holborow.

01-499 8644 20 Grosvenor Hill, London W1X 0HQ

UK Offices

Ascol, Beaconsfield, Chipping Norton, Cirencester, Edinburgh, Glasgow, Guildford, Hereford, Hungerford, Leeds, Oxford, Sheffield, Sherborne, Shrewsbury, Stratford-Upon-Avon, Tunbridge Wells.

Knight Frank & Rutley

Overseas Offices

Australia, Belgium, Botswana, France, Hong Kong, Japan, Malaysia, New Zealand, Nigeria, Singapore, United States Of America, Zimbabwe.



Ireland - Co Meath

Dublin 16 miles. Maynooth 6 miles.

A superb country estate and stud farm
A magnificent contemporary mansion with views to the Wicklow Mountains. Remodeled garden, tennis court, secondary house, groom's bungalow. 50 local farms in two parks, indoor school and covering yard. Sheltered raised paddocks over limestone.

About 264 acres
As a whole or in 3 lots.

Joint Agents: Lacey & Son, 24 St Stephen's Green, Dublin 2 (01) 616222
Christopher Stephenson International Ltd in association with
Knight Frank & Rutley (0635) 528585



Surrey

Leigh 1 mile. Reigate 4 miles. Central London 30 miles. M26 5 miles.

A beautiful residential dairy farm
Delightful period farmhouse, 3 further cottages. Outstanding commercial dairy farm with milk quota of 530,000 litres.

About 263 acres
As a whole or in lots.

Joint Agents: Wallis Eger, Farnham (0253) 716221
Knight Frank & Rutley, Guildford (0483) 65171 or London (01-629 8171)
(0482/03557)



Buckinghamshire

Oxford 10 miles. London 50 miles. M40 Junction 7) 9 miles.

A listed manor in an outstanding setting with equestrian centre
4 reception rooms, smoker room, 4 bedrooms (potential for 6), 2 bathrooms. Cottage, garden, indoor school, 12 loose boxes, farm buildings. Potential for leisure centre (subject to planning consent).

About 168 acres
In association with

Apply: Knight Frank & Rutley Oxford (0865) 790077 or London (01-629 8171)
Christopher Stephenson International Ltd (0635) 528585
(0635/261311)



Perthshire

Perth 6 miles. Edinburgh Airport 34 miles.
An exceptional and historic agricultural and sporting estate lying in an outstanding location

Regency mansion house with 5 reception rooms and 6 bedrooms. Historic castle and chapel visited by Mary Queen of Scots. Georgian farmhouse, 3 cottages and 2 cottage sites. Traditional standing with development opportunities. Trout loch and first class pleasure boat. Hill ground providing fine sport. Grade II arabic ground.

About 725 acres
As a whole or in 5 lots

Apply: Gordon Haig Stirling & Burnet 031-225 8411
Knight Frank & Rutley, Edinburgh 031-225 7155 (0742/03422)



Northamptonshire/Warwickshire Border

Berby, Rugby 4 miles. Coventry 15 miles. M1 Junction 18) 4 miles.

An attractive modern house maintained to a high standard and conveniently situated
3 reception rooms, 5 bedrooms, 4 bathrooms, dressing room. Garaging for 4 cars. Stables, gardens and paddocks.

About 27 1/2 acres
As a whole or in 2 lots

Apply: Stratford-upon-Avon (0788) 257735 or London (01-629 8171)
(0482/03557)



Buckinghamshire

Chalfont St Giles 1 mile. London 21 miles. M40 Junction 2) 4 miles.

A distinguished and beautifully maintained house set in magnificent grounds
4 reception rooms, study, 6 bedrooms, 3 dressing rooms, 5 bathrooms. 3 cottages each with 2 reception rooms and 3 bedrooms. Stabling, garaging. Heated swimming pool and pool house. Formal garden, 3 paddocks.

About 11 acres

Apply: Beaconsfield (0494) 878368 or London (01-629 8171)
(0482/03557)



Kent/Sussex Border

Langton Green, Tunbridge Wells 2 1/2 miles. London 39 miles. Gatwick Airport 22 miles. East Grinstead 1 1/2 miles.

A Grade II listed Regency house standing in beautiful mature gardens
Hall, 4 reception rooms, study, playroom and rollers. Master bedroom suite with 3 dressing rooms, 2 further bedroom suites, 4 further bedrooms and 1 further bathroom. Gas fired central heating. Self contained staff annexe. Coachhouse with garaging and stores. 3 stables. 3 further garages. Stable and ironhouse. Nuclear air raid shelter. Beautiful mature gardens and paddocks.

About 19 acres
Further land and cottages available by separate negotiation.

Apply: Tunbridge Wells (0892) 515035 or London (01-629 8171)
(0482/03557)



Hampshire

Winchester 5 miles. London 70 miles.

1 1/2 miles of double bank fishing on the River Itchen, one of the world's finest chalk rivers
Lodge with 4 bedrooms. Extensive garden and woodland.

About 15 acres
For sale by auction on 25th June 1989 (unless previously sold)

Apply: London (01-629 8171)
(0482/03557)



East Lothian

Haddington 4 miles. Edinburgh 21 miles.

A magnificent Victorian mansion house in an outstanding location close to Edinburgh
4 reception rooms, 6 bedrooms, 3 bathrooms. Fine policies, lawns and paddock.

About 10 1/2 acres
Offers over £400,000

Apply: Edinburgh 031-225 7105
(0482/03557)



Oxfordshire

Wallingford, Oxford 10 miles. Reading 14 miles. Didcot 6 miles. Between M4 and M40 motorways.

An attractive Grade II listed house on the banks of the River Thames
3 reception rooms, 6 bedrooms, 2 bathrooms, shower room. Indoor swimming pool complex. Guest annexe, staff wing, cottage. About 650ft river frontage with boat house. Orchard, paddock, hard tennis court. Extensive gardens and grounds.

About 7 acres

Joint Agents: Adkin, Wallingford (0491) 36999
Knight Frank & Rutley, Oxford (0865) 790077 or London (01-629 8171)
(0482/03557)



Northamptonshire

Geddington, Kettering 3 1/4 miles. London 55 minutes by train.

A fine Grade II listed village house on the River Ise
Reception hall, drawing room, morning room, study, dining room, 5 main bedrooms and 3 secondary bedrooms, bathrooms, 3 further rooms. Cellars. Garaging for 3 cars. Outbuildings, mature gardens and grounds.

About 2 acres

Apply: London (01-629 8171)
(0482/03557)



Surrey/Kent Border

Limesfield Court, Otford 1 1/2 miles. Gatwick Airport 18 miles. Central London 28 miles. M25 Junction 6) 3 miles.

An imposing house standing in beautiful gardens with outstanding views
3 reception rooms, master bedroom suite with dressing room, 6 further bedrooms and 2 further bathrooms, staff flat. Fully modernised 4 bedroom cottage. Beautiful mature gardens with extensive garaging and outbuildings.

About 6 acres

Apply: Tunbridge Wells (0892) 515035 or London (01-629 8171)
(0482/03557)



Cornwall

Pelynt, Looe 4 miles. Plymouth 24 miles.

A delightful former vicarage set in magnificent gardens and grounds
3 reception rooms, 6 bedrooms, 3 bathrooms. Range of stone buildings including garaging. Formal gardens and woodland.

About 3 acres

Apply: Sherborne (0635) 812236 or London (01-629 8171)
(0482/03557)



Hampshire - Test Valley

Houghton, Stockbridge 2 miles. Winchester 10 miles. M3 12 miles.

A superb Grade II* Queen Anne Rectory with an enchanting landscaped garden
The house has been modernised to a high standard and has fine views over the River Test.

About 6 acres

Joint Agents: Strutt & Parker, Salisbury (0722) 28741 and London (01-629 7282)
Knight Frank & Rutley, London (01-629 8171)
(0482/03557)



Shropshire/Herefordshire Border

Knighton 5 miles. Ludlow 12 miles. Leominster 14 miles.

A delightful 18th century listed thatched cottage in an attractive village
3 reception rooms, 2 bedrooms, bathroom. Solid fuel central heating. Garden. Double garage.

Offers in the region of £190,000

Apply: Hereford (0432) 273087
(0482/03557)



Northamptonshire/Oxfordshire Border

Banbury 6 miles. Proposed M40 extension 5 miles.

A charming listed Queen Anne family house in a conservation village
Hall, drawing room, sitting room, dining room, 6 bedrooms, 2 bathrooms. Oil fired central heating.

Offers in excess of £260,000

Apply: Oxford (0865) 790077
(0482/03557)



Avon

Tinsbury, Bath 7 miles. Bristol 15 miles. M4 Junction 18) 13 miles.

A fine Georgian village house listed Grade II
4 reception rooms, 6 bedrooms, 3 bathrooms, playroom. Large cellar. Oil fired central heating. Coach house suitable for conversion (subject to consent). Rented garden.

About 1 acre

Apply: Cirencester (0285) 559771 or London (01-629 8171)
(0482/03557)



Kent

Matfield, Tunbridge Wells 4 miles.

An imposing Victorian country house on the edge of the village
4 reception rooms, 5 bedrooms, 2 bathrooms. Small coach house. Gardens.

About 1 acre

Apply: Tunbridge Wells (0892) 515035
(0482/03557)

TRAVEL

Where the bones are biting

Michael Wigan fishes off Christmas Island, a Pacific atoll with a colourful history

"PLENTY OF bones," growled Tyrone, bending and pointing ahead, "big bones."

THE BONES he was referring to were the very reverse of ossification: they were bonefish, saltwater tropical beauties that in a few select places come into the flats on the tide. Perhaps pound for pound they are the hardest fighting fish in the world.

A bonefish of 2 lbs will take your line and back out to 100 yards on its first run, while you hold your rod high to avoid snags. Bigger "bones" race off for the nearest bit of reef or rock before plunging down beyond the reef-face.

Because they are "spooky," and scared by a false cast or a swishing rod-shadow, bonefish are an unusual challenge. The most testing part is seeing them in the first place, for this is sight-fishing - peering through the dappled lapping water, above mottled coral flats, white sand, porridgy mud or volcanic lava-beds, and trying to detect that giveaway green glimmer that betrays a "bone."

This is how bonefishing is carried on from the Captain Cook Hotel on Christmas Island, in the middle of the unpopulated, 248-square mile coral atoll on Christmas Eve 1977. Since then it has entered history with colourful tales as the home of whalers, shark fishers and guano gatherers. In the Second World War it became a naval base and, in the 1950s, a nuclear testing site.

The mushroom-shaped atoll, almost enclosing on its north side an enormous saltwater lagoon, rises no higher than 43 ft, and now coconut palms have mainly replaced the original mangrove and saltbush. Its surface is littered with smaller lagoons, coloured brilliantly in shades of emerald to hummingbird-wing blue, and the beaches are white, devoid of fringing coral and fringing shells and the branching arms of bleached coral.

With its light breezes, low humidity and paradisaical remoteness, Christmas Island is something special. Added to natural beauty it is a bird

haven beyond equal, its small area of firm ground hosting 17m nesting seabirds from the surrounding ocean. Frigate birds home in on the solitary bonefisher crouched here like in his lagoon. One tried three times to abscond with my rod. Boobies, even tamer, hang motionless within arm's reach, scrutinising this strange life-form that is stalking their territory. The fairy tern, pure white, dances in the heat haze.

One of the bonefishing beats is the strip of water which flows over the coral reef as the waves break and runs up to the beach. Here large green parrot fish rush down the channels with the breaking wave and rush back out as it recedes. Blacktip reef sharks, sizeable ones, cruise remorselessly, circumnavigating your feet with a swish of the tail. Shoals of variegated tropical fish dart nervously about. Among them are the bones, nosing around on the flats for small crustaceans.

In the big lagoon, in the mouth of an ancient volcano, plateaus of sand, coral and volcanic carbuncles are thinly

covered with tidal water; around them are deep trenches of blue. It is an odd feeling to be motored out on a punt and deposited, like a castaway, on one of these small tables of rock, the palm-free fringe of the lagoon no closer than two miles in any direction, the water rising, and far away in the narrow lagoon-mouth white breakers splintering with huge force.

There you stand with your fly rod, lonely, inexplicable figure. The sharks have not deserted you, patrolling the plateau-rim, and the bonefish, usually singly or in twos and threes, are occasionally in schools of about 20. There are stingrays, poetically graceful

black shapes, their wingtips with white undersides curling above the water as they undulate past. Turtles paddle serenely; there are eels; and there are comical blowfish, that can inflate like a balloon and go rolling over and over its melancholy eyes wide. Out in the channels are trevally, phenomenally powerful and voracious high-backed gamefish, growing to 100 lbs or thereabouts, and fiercer on the take than any fish size for size.

The charm of the bonefish is not only the splendour of its resistance. Techniques are called for which are a combination of stalking and fishing. The Christmas Island guides are remarkable spotters of fish. At first it seems impossible that they should see so much. Deep-voiced, stocky men, they are impressively professional. Spotting the bone they point, give you the distance and say if he is moving. You cast, in blind faith. They issue directions. The fish is warily following the fly, unwilling to forgive a flustered retrieve, capable suddenly of pouncing. Gradually you spy the bones yourself - the pale green gleam of their back, or the exciting flutter of their waving tails as they nose towards you.

You stalk the bone downwind. You cast in front of him and twitch the fly for his attention; accuracy is vital. When hooked he will move astonishingly fast and straight, then sometimes circle you at high speed. The bones, as their name implies, are inedible, and like everything else on Christmas Island, the objects of conservation. The flies used are



Above: Gone fishin'. Below: The catch, a gleaming bonefish

LOVE IS LIEF in the Hunza

Tom Ashton makes a perilous journey in the subcontinent

ORIENTAL PHILOSOPHY is perhaps the best means of surviving a 16-hour bus ride along the hairpin bends, rock falls and sheer drops of the Karakoram Highway. Emerging from Rawalpindi bus station for the Hunza Valley in the heart of the Karakoram, I found a bus revving up which promised its passengers inner peace. "LIEF IS A JOURNEY," said the number plate.

Serene in the knowledge that everything I encountered during the journey was part of a process of enlightenment beyond my control, I soon found myself levitating above my seat, indeed at times banging my head on the ceiling of the bus. This was not an entry into the cosmic oneness but was due to lack of suspension, a potboiled road and a wild Pathan driver who had not discovered the use of his brake pedal.

The sun shone, reflected in wonderful sheets of silver off the glacial stream running down the valley, and peaks soared on either side. As the view of Mount Rakaposhi, the "crown jewel of Hunza," opened out, I felt that surge of excitement that only the sight of huge peaks can bring on.

The great attraction (and drawback) of the Hunza and its surrounding valleys is the "crown jewel of Hunza," the Hunza population. Without careful planning, even a day's walk away from the Karakoram Highway will often leave you with nowhere to stay and little hope of finding food amid a landscape untouched by man.

The solution to these problems is to hire a local guide for

water runs from glaciers to irrigate the valley's orchards. In summer, but in winter they are dry. The ledge is cut into the cliff face by hand. Colonel R.C.F. Schomberg, a British visitor to Hunza in the days of Empire, described walking along these channels as the "fish work." It is comforting to clutch the rock and forget the sheer abyss below.

Emboldened by Mujib's sure-footed lead, I set off in pursuit as we left the British Memorial behind us, one of the reminders of the victory of a small British military force over the men of Hunza in 1881. Until then the Hunzakuts had been defeated as they carried out their marauding and pillaging as far afield as China and Kashmir.

Balitt fort above Karimabad, with its dominating view over the valley, gives you an idea of how the geography of the Hunza Valley enabled the Hunzakuts to raid surrounding valleys, often kidnapping their neighbours without fear of retribution. Protected by huge peaks to east and west and rugged narrow passes to north and south, they needed only a small force of men to resist invaders.

Leaving Balitt fort behind us, we climbed past some shepherd's huts and soon reached a cliff. Mujib, a cool professional mountaineer, looked on with concern as I desperately clung to the rock face. After a while, unable to watch my nervous neighbour without fear of retribution, he gave me the end of his long cotton scarf and pulled me along the more tricky sections.

As we climbed above the Ullar glacier, the silence was broken only by the occasional roar of ice falls. The view stretched out across the massive Hispar glacier, Golden

Peak and the icefalls of Rakaposhi, the glacier dropping away at an alarming angle beneath us, dark grey due to the minerals in Hunza's water. "Oh, locals swear by the health-giving properties of their sludge-coloured water and say that this, together with their diet, accounts for their longevity. Ixer flesh is said to cure all kinds of disease, while the kernel of apricots - Hunza has more than 20 kinds - is said to prevent cancer.

But the Highway does seem to have softened the Hunzakuts. Gone are the days when the mothers of Hunza would put the hands of their sleeping children in bowls of freezing water at night to toughen them up, when the men of Hunza swam freezing torrents or walked 50 miles in a day across the mountains.

Some of the pre-Islamic animist past also remains. My suggestion that I should sleep on a villager's porch provoked a surprisingly violent negative reaction. Later I discovered the world's most remote pub in Hunza, a "fairies," a misnomer for the blood-thirsty monsters which the villagers believe come out in the dark and tear to pieces anyone who is foolhardy enough to be outside.

On the morning of my departure from Hunza I was woken by the dawn call of the mullahs to prayer. Echoing amid the massive peaks as the sun caught the ice and snow, their call moved me and I resolved to return.

The Pukker Friendship which flies to Rawalpindi from Gilgit's little airstrip was out of action so, with a sense of foreboding, I climbed aboard a minibus for a repeat performance of the 16-hour ride to Islamabad.

Blessed with another crazy driver, Allah must have been with us, for it was only a "prayer stop" which saved us from a nasty collision with a cow. As we pulled up outside the mosque another bus shot past, horn blaring. As it disappeared round the corner there was a horrible bang and a loud crash. Setting off in pursuit, we found a cow in its death throes and fazed passengers clambering out of the overturned bus. As we sped recklessly on our way, I refocused my mind on "LIEF IS A JOURNEY."

"LIEF IS AN HOUR'S WAIT THEN THREE COME AT ONCE."



100 Rupees or so per day. Mujib, a local farmer, led me up to the Ullar glacier - with packs, normally a three-day hike above Karimabad - on the understanding that we would be returning the same day. Travelling light, he took me along the "water channel," an innocuous-sounding name for a narrow ledge running several hundred feet up a sheer cliff face.

It is along carefully engineered channels like these that

switching to another packed minibus in the hectic bazaar of



NG TWO people agree on the best time to visit Hunza - spring with its pastel blossoms, summer when the valley turns lush and green and the river becomes a torrent, or autumn with its hues of burnished gold.

For centuries the people of Hunza lived in isolation, their only contact with the outside world coming from raiding trade caravans or looting forays into China, a practise stopped by the British when they took over in 1891. With their fair hair and green eyes, the Hunzakuts, now numbering 30,000, are supposedly descended from vagrants from the army of Alexander the Great.

For 969 years they were

ruled by the same family of Mirs who ran everything from the legal system to the postal service, and frowned on people leaving the valley. The locals had such faith in their Mir that they believed he could produce rain by dunking an unsuspecting mullah in water for a few hours. Even after the area came under Pakistan's control in 1974, the Mir retained his importance, still receiving a state purse and flying the Hunza flag from his car. The present Mir is less popular for spending much of his time in Islamabad and marrying an outsider from Lahore.

The capital of Hunza is Karimabad, its name reflecting the fact that most

of the population are followers of Prince Karim Aga Khan. In olden days religious differences with the Shias across the river in Nagar, meant fighting between the Mirs. Whenever the Mir of Hunza had important guests he would send raiding parties across the river to capture Nagar boys to present to the visitors.

The old village of Karimabad twisting up to the fort is enchanting, chattering families perched on the roots of its carved wood houses. Unlike the rest of Pakistan, women are visible, dispensing apricot juice or locally made wine, their plaits sticking out from bright embroidered caps.

Numerous treks into the mountains are available, ranging from mild climbs to strenuous hikes to K2's basecamp.

Information: There are flights from Rawalpindi to Gilgit every morning, depending on the weather. Gilgit Hunza Tourist House, Rs 300 per double room with hot water and great food. For more luxury, Karimabad, Hilltop View Hotel; as the name suggests, unbeatable views. Rs 150 per double. Jeeps are easily available for Rs 1,000 per day. Minibuses ply between Gilgit and Hunza.

Christina Lamb

Trek into history and isolation

For 969 years they were

ruled by the same family of Mirs who ran everything from the legal system to the postal service, and frowned on people leaving the valley. The locals had such faith in their Mir that they believed he could produce rain by dunking an unsuspecting mullah in water for a few hours. Even after the area came under Pakistan's control in 1974, the Mir retained his importance, still receiving a state purse and flying the Hunza flag from his car. The present Mir is less popular for spending much of his time in Islamabad and marrying an outsider from Lahore.

The capital of Hunza is Karimabad, its name reflecting the fact that most

of the population are followers of Prince Karim Aga Khan. In olden days religious differences with the Shias across the river in Nagar, meant fighting between the Mirs. Whenever the Mir of Hunza had important guests he would send raiding parties across the river to capture Nagar boys to present to the visitors.

The old village of Karimabad twisting up to the fort is enchanting, chattering families perched on the roots of its carved wood houses. Unlike the rest of Pakistan, women are visible, dispensing apricot juice or locally made wine, their plaits sticking out from bright embroidered caps.

Numerous treks into the mountains are available, ranging from mild climbs to strenuous hikes to K2's basecamp.

Information: There are flights from Rawalpindi to Gilgit every morning, depending on the weather. Gilgit Hunza Tourist House, Rs 300 per double room with hot water and great food. For more luxury, Karimabad, Hilltop View Hotel; as the name suggests, unbeatable views. Rs 150 per double. Jeeps are easily available for Rs 1,000 per day. Minibuses ply between Gilgit and Hunza.

Christina Lamb

AUSTRALIA

AUSTRALIAN light aircraft safari

- Air Rover highlights Sydney, opals at Lightning Ridge, the world's most remote pub in Biddellia, climb Ayers Rock, Silver Hills cattle station, amazing wildlife at Lavan Hill Gorge, swim the Great Barrier Reef.
- Pilot guide hosts a small group in comfort for 7 days to fascinating remote areas.
- Weekly departures year round.
- Concessions of up to 40% on 1st class fares to Australia.

For professional advice, Air Rover, 20 Saville Row, London W1. Tel: 01 287 6316.

AUSTRAL

AMERICA

- 1199 RETURN TO EAST COAST USA
- 1219 RETURN TO WEST COAST USA
- 1219 RETURN TO MID WEST USA
- 1219 RETURN TO SOUTH COAST USA
- Florida - Over 300 independent Hils. Special Rates.
- California - 100 Independent Hils. Special Rates.
- Hawaii - Apartments, Hotels and Tours.
- Luxury, Personally Conducted Tours.
- Call for Free Brochure

FRONTIERS 0060

The new times of 1989

136 Regent Street, London W1 2AW

01-994 8958

DISCOUNT FARES

In 1st Class, Club & Economy Class

Also Concorde

For the best guaranteed deals please contact the experts

01-439 2944

Fax 01-734 2242

Pat Express Travel

DISCOUNTED FLIGHTS WORLDWIDE

Europe, Far East, America, Canada, Caribbean, South America, Austral and Middle East.

Special discount for first and club class.

Apex Travel, Tel: 437 9561

Access welcome

ITALY

CASA COLONICA

Offers a large selection of Castles, Luxury Villas, Farmhouses and Apartments with Swimming Pools in Tuscany, Umbria and the South of France. Also offers a large selection of lux. apts. for holiday letting in Central Italy.

Tel 376 4747 or 376 4931/2

FLIGHTS

CARIBBEAN

FLIGHTS FROM £319

Big discounts on club class, first class and packages

Abtairline Travel Ltd., 8 Hogarth Road, London SW15. Tel: 01-835 1484

DISCOUNT FARES

In 1st Class, Club & Economy Class

Also Concorde

For the best guaranteed deals please contact the experts

01-439 2944

Fax 01-734 2242

Pat Express Travel

DISCOUNTED FLIGHTS WORLDWIDE

Europe, Far East, America, Canada, Caribbean, South America, Austral and Middle East.

Special discount for first and club class.

Apex Travel, Tel: 437 9561

Access welcome

ITALY

CASA COLONICA

Offers a large selection of Castles, Luxury Villas, Farmhouses and Apartments with Swimming Pools in Tuscany, Umbria and the South of France. Also offers a large selection of lux. apts. for holiday letting in Central Italy.

Tel 376 4747 or 376 4931/2

WELCOME TO ITALY.

Tuesday and other regions. Farmhouses, villas & apts. for sale & to let. Curated 1989 £2.95. Free colour brochure.

Perrymaned 01 736 4592 (24 hr) c.c.s.

UK

KIRKROUTHRE HOTEL

NEWTON STEWART, SW SCOTLAND DG8 6AN

Mansion built 1719; luxury and finest cuisine. Free golf on James Braid's last course. One of Egon Rosay's Top Seven Country House Hotels. Phone 0671 2141 for brochure.

AA**** RAC****

DINHAM HALL LUDLOW SOUTH SHROPSHIRE

"FABULOUS FOOD" from Head Chef, Chris Galvin. Winner of Britain's most prestigious culinary competition.

"FIRST CLASS ACCOMMODATION" A lavishly restored listed Georgian House, 30 yards from Ludlow Castle affords comfort, tranquillity and beautiful views.

TELEPHONE: 0584 6464

SCOTTISH CASTLES

Exclusive Opportunity to stay in accommodation fit for a Laird. Choose from a range of Castles & Fortified Homes. Conference Facilities available.

Tel: 011 226 7615

SCOTTISH CASTLE HOLIDAYS

TOURS OF SCOTTISH Highlands and Islands, by Rail, from London or any other BR station. Courteous catering in quality 3 Star Hotels on Mull, Iona, Harris, Skye, Orkney & Shetland. Full English, Continental, P.O. Box 10, Chinner, Dorset. 0845-2198 or 01-860 4867.

SPECIAL INTEREST/ACTIVITY

WILDLIFE OF INDIA & NEPAL

Naturalist Escort Tony Pym. £1790 for 22 days departing 10 Feb 1990.

KASHMIR & LADAKH (Incl. Water Safari) £1115 for 19 days. Friday departures to the end of Sept 1989.

Other tours available to Rajasthan, the Golden Triangle & Nepal, Southern India, Gujarat, the Andaman and Lakshadweep Islands, Goa.

12 CHURCH STREET, TWICKENHAM

01-892 7606/8164

24 HR BROCHURE: 01-892 7624

(ATA PATA ABTA 6330)

VILLAS

VILLA RENTALS

Selection of superb villas near the sea or with pools in the Cannes/ Antibes area. Prices from £430 p.w. low season to £2800 p.w. high season. Tel. 01 650 2347

DORSET'S SECRET COAST

Moortfest Manor alongside Fleet Lagoon Nature Reserve. 500 Swans can't be wrong! Lovely walks - 4 indoor Bowls, Squash, new Tennis Courts, Indoor Pool 84', Health Club, Snooker. Owner management past 18 yrs. Friendly Staff, Good Food, Rooms En-Suite. £65 two nights, Dinner, B+B, Weymouth (0305) 786448.

IN PEMBROKESHIRE

Villas, Pembrokeshire and Carmarthen are Swinging. Swallows are Blooming, Lambs are Blue, the Sky is Woolly. Why aren't you here? A 3 day break is only £50

GELTFAWR COUNTRY HOUSE

Pontnewn N. Newport, Pembrokeshire (0291) 82843

LUXURY 42FT SAILING YACHT based in the beautiful West Country village of Salcombe with fully experienced crew. Take a break for a week or long week-end. Recommended as excellent therapy for all grades of management. £6 per person £1000 a VAT per week. Tel 064 856 2330 anytime.

EGYPT

NILE

Escorted sightseeing cruise of the Nile with Guest Lecturer. Unique for relaxation.

18-day tour £1,319

SALES DORNING SURREY 0306 865991 ABTA 13960

VILLAS

VILLA RENTALS

Selection of superb villas near the sea or with pools in the Cannes/ Antibes area. Prices from £430 p.w. low season to £2800 p.w. high season. Tel. 01 650 2347

VILLAS

VILLA RENTALS

Selection of superb villas near the sea or with pools in the Cannes/ Antibes area. Prices from £430 p.w. low season to £2800 p.w. high season. Tel. 01 650 2347

BOOKS

Macmillan: the private misery of a public man

MACMILLAN 1957-1968: Volume II of the Official Biography by Alistair Horne
Macmillan £18.95, 741 pages

THIS COMPLETES the "official biography" of Harold Macmillan. Alistair Horne has taped or memorised innumerable conversations with Macmillan and many of his colleagues, most of them no longer living. These are sources which, but for his labours, would never even have existed. Unlike the written evidence of letters and diaries, if only for that reason - and there are many others - one must be profoundly grateful that a most distinguished historian has devoted 10 years of his life to "Boswellising" of the most puzzling and enigmatic of all Britain's prime ministers.

As I read this and its predecessor volume, I was reminded of a curiously moving passage in a letter from Gladstone to his wife in 1851: "When you say that I do not know half the evil of your life, you say that which I believe in almost every case is true between one human being and another, but it sets me thinking how little you know of the evil of mine of which at the last day I shall have a strange tale to tell."

No such exchange is conceivable between Macmillan and Lady Dorothy. Moreover, "evil" is not the appropriate word. Substitute "mystery" and one can see that there is indeed a very strange tale to tell. Alistair Horne has told it with skill, perception, sensitivity and style. He is to be congratulated on writing one of the great biographies of the 20th century.

Macmillan was Prime Minister for nearly seven years, January 1957 to October 1963. They were packed with events: Cyprus, "the little local difficulties," electoral triumph, the U2 fiasco, "the wind of change," the "Night of the Long Knives," the Profumo affair, the test ban treaty, the Blackpool "blood-bath." Add in Cuba, Africa and de Gaulle's veto, and no one could complain of a dull moment. These years were also a time of great local difficulties, a time when private life was miserable (just how miserable emerges publicly for the first time in this book), who was highly-strung, sensitive, thin-skinned and hypochondriac. "I think I did seem to have what was called unappetability,"

he wrote, but he added: "If they knew how one's inside was flapping all the time, they wouldn't have said that."

He often felt, and sometimes actually was, physically sick before Question Time or a major speech. But appearances were not what mattered. Eden, debilitated by illness and palpably living on his nerves, passed on a feeble sense of anxiety to his Government and party. Macmillan was determined to bring down the temperature. On the green baize door of the private secretaries' room, he appended in his own hand from *The Condoliers*: "Quiet calm deliberation disentangles every knot," to which one of their number - his licensed court jester, John Wyndham - added: "And if it doesn't, you'll probably be shot."

More than a quarter of a century has elapsed since Macmillan resigned. Some of his problems, even if in a different guise, are with us still: inflation, the EC, Nato, espionage, the Kremlin, the "special relationship." Some have vanished, owing partly to his statesmanship and partly to the eflux of time. The question of atmospheric nuclear tests, the seemingly endless wrangling about the Central African Federation, the complications of Blue Steel, Blue Streak, Skybolt (the forgotten names of various abortive nuclear missiles). As so often when one looks back at the events of three decades ago one is struck by the unimportance of some of the questions most prominent on the political agenda, and the importance of some that were scarcely on it at all.

Macmillan was worried inordinately about unemployment, failing to see that the question in 1958 was very different from 30 years earlier in Stockton. When the figure rose from 500,000 to 800,000 he was horrified, although Britain was to experience more than 3m 20 years later without the heavens falling. He was, however, nothing like as concerned about inflation, being much influenced by his old friend Sir Roy Harrod, a strong expansionist.

Macmillan spent an immense amount of time on the Central African Federation, which was not a matter of great importance, but less than a touch on Commonwealth immigration, although an Act somewhat restricting it was passed in his time. Yet, this was to be one of the major problems of the next 30 years. He also worried greatly about holding a "summit meeting" and was sunk in gloom when the U2 affair



aborted it. But how much good have summits ever done? Experience suggests that the most one can hope for is absence of positive harm.

Horne has some interesting fresh observations on the resignation. People have often wondered why the Prime Minister resigned on grounds of health when all that was involved was a prostate operation which, even in the state of surgery in 1963, was a relatively minor affair. He could perfectly well have entrusted the government to Butler and returned to take charge again in three or four weeks. Unfortunately, and perhaps out of prudishness, Macmillan never confided his symptoms to his doctor, Sir John Richardson, who was on holiday in the Lake District when the crisis arose. He saw two strange though very distinguished doctors, and convinced himself that he had cancer. Although Sir John drove flat out to London, the decision to resign had already been taken. He was convinced that, if he had been there at the time,

he could have persuaded his patient to stay in office, and Macmillan's family share that view.

If this is correct, Macmillan's hypochondria, which was a very marked feature of his character, might well have turned the course of history. He had intended to lead the party into the next election some time in 1964 and the whole cabinet, except Enoch Powell, was behind him. Under Sir Alec Douglas-Home (as he became after accepting the premiership) the party was defeated only by the barest margin, although he had inherited an extremely awkward situation including the resignations of Powell and Macleod.

Surely the Old Magician would have brought it off. He was to spend the rest of his life regretting his decision. Fate was not kind to him, but he was a very remarkable and notable Prime Minister. It is appropriate that he should be commemorated in a notable book.

Robert Blake

Shelley's father figure

Chloe Chard reviews a biography with an original slant on the lives of its famous protagonists

THE GODWINS AND THE SHELLEYS: THE BIOGRAPHY OF A FAMILY by William St Clair
Faber and Faber £20.00, 570 pages

WILLIAM St Clair embarks on an unusually interesting form of literary biography in this book. Instead of merely identifying elements in the lives of his protagonists which might be seen as influencing their work, he considers the problems they faced in attempting to put into practice, in everyday life, the principles they formulated within their fictional and theoretical writings.

The dilemmas confronted by the novelist and political philosopher, William Godwin, in the course of his 78 years not only provide perfect material for such an enquiry but also lead the biographer to the further dramatic and intriguing conflicts between theory and practice - and between reason and passion - which can be discerned in the lives of Mary Wollstonecraft, her daughter Mary Shelley, and her son Percy Bysshe Shelley, who proclaimed himself heir to Godwin's ideas.

St Clair emphasises the extent to which Godwin's most famous work - his *Enquiry concerning Political Justice* (1793) - is concerned with personal behaviour and moral responsibility rather than with forms of political association: "Political justice is Godwin's term for the duty of every individual to treat every other individual justly in every individual transaction."

In specifying this duty more precisely, Godwin displays a "relentless" rationalism as illustrated, for example, by his opposition to the death penalty. He is not kind to him, but he was a very remarkable and notable Prime Minister. It is appropriate that he should be commemorated in a notable book.



William Godwin

critical of all forms of monopoly - a term which is applied to a wide range of institutions, including that of marriage: "So long as I seek to engage one woman to myself and to prohibit my neighbour from profiting his superior desert and reaping the fruits of it, I am guilty of the most odious of all monopolies."

In 1797, however, Godwin married Mary Wollstonecraft, whose own writings included yet more impassioned attacks on this same institution. Mary already had one illegitimate daughter and had now, inconveniently, become pregnant with Godwin's child despite, or because of, the fact that they probably used the same aptly termed "chance-medley system" of contraception - a version of the rhythm method.

Embarrassed by the birth of his first child, Godwin abandoned principle and joined his friends, the political philosopher attempted to defend himself: "I find the prejudice of the world in arms against the woman who practically opposes herself to the European institution of marriage... I found that the comfort and peace of a woman for whose comfort and peace I interest myself would be much injured if I could have prevailed on her to be my benefactor" - since the archbishop's life is of more value than hers.

(When revising the book some years later, during his romantic involvement with Mary Shelley, Godwin changed the chambermaid to a valet to avoid any suspicion that he might regard women as of less value intrinsically than men.)

Political Justice is especially

ingress to sacrifice "the fair and spotless fame of my young child to fierce impulse of passion."

St Clair comments wryly: "The concept of seduction is a difficult one for those who sincerely believe in the equality of the sexes."

In detailing similar equivocations in Shelley's attitudes to marriage and sexuality, the biography examines the poet's enthusiasm for the Naivism of James Lawrence, one of the fairly numerous followers of Godwin's New Philosophy whom the philosopher himself regarded slightly askance.

Lawrence explains in his book, *The Empire of the Modes*, that the tribe of this name are a sophisticated people in India who place no restrictions on sexual activity and who usually expect the woman to take the initiative in amorous dalliance between the sexes. In an earlier essay, which combines an account of Naivism with a plea for reformed spelling, Lawrence declares trenchantly that "it is the privilege of Naiv ladies to have men's lovers."

An especially enjoyable and impressive feature of this biography is the author's alertness towards distinctive features of the language employed by Godwin and his followers. He notes, for example, the philosopher's "more common Naivism for 'public negatives'" and his "personal vendetta against unnecessary consonants in proper names."

St Clair also explores the ambiguities which, in the literature of the time, accumulated around the proliferating chain metaphors of *Political Justice*: "It was easy to perceive Godwin's chains - whose original purpose was to illustrate how events are linked in a continuous sequence of causation - as manacles, fetters and instruments of coercion."

One of the few reservations prompted by this work is a slight disquietude at the title: the use of the two husbands' surnames is in danger of appearing dismissive towards Mary Wollstonecraft and her daughter, and offers no indication of the fact that the book is concerned primarily with Godwin and only secondarily with his wives, children, and son-in-law.

This objection is, however, a minor one. *The Godwins and the Shelleys* is an exceptionally subtle and lively biography, incorporating a vast body of judiciously assimilated erudition and offering a profusion of illuminating analysis and commentary.

George Watson

Understanding Gorbachev

GORBACHEV'S STRUGGLE FOR ECONOMIC REFORM by Anders Aslund
Pinter Publishers £35.00 (£12.95 paperback), 213 pages

IN THE middle of 1988, Leonid Abalkin, senior Soviet economic adviser, summed up the economic consequences of Mikhail Gorbachev's first three years in power. He said: "The economic growth rate has not recovered, but fallen. On consumer markets, shortages have grown worse as a result of the ardent campaign against alcohol and a lax financial policy. No significant quantitative improvements have occurred as yet. Economic efficiency, product quality and technical progress remain dismal."

The central paradox in Soviet politics is why this happened. Why has Gorbachev, selected as General Secretary in 1985 largely in order to improve Soviet economic management, failed so signally to do so? Why has talk of economic change failed to turn into a coherent programme for economic reform?

Dr Anders Aslund's brilliant, incisive study of Soviet economic policy between 1985 and 1988 is the first book to give us any real insight into the struggle for economic change under Gorbachev. His detailed analysis, careful research and the writer's personal knowledge of many of the protagonists make the book the essential text for any real understanding of what is happening today in the Soviet Union.

As economic analyst at the Swedish embassy in Moscow from 1964 to 1967, Aslund, now associate professor at the Stockholm School of Economics, was extremely well-placed to observe the impulse for change and the obstacles it faced. He was also able to interview many of economists, journalists and party officials involved in the discussions about reform which became increasingly public after 1985.

His central explanation for the frustration of reform is that Gorbachev and the reformers within the Politburo were never strong enough to do more than push through a

number of limited changes which were the fruit of compromise within the Politburo and Central Committee. This does not mean that Gorbachev was ever in danger of being overthrown, but the balance of power within the Politburo continually stifled reform measures of radical effect.

For this reason, Gorbachev has given priority to gaining political control within the Politburo and Central Committee - an aim he achieved largely through the purge of the Politburo last September, together with the election of officials and the retirement of many members of the Central Committee this year.

The next problem for Gorbachev and the reformers is that as their political control grows, they will no longer be able to blame economic failure on bureaucratic inertia or sabotage. And they themselves have never really possessed a coherent economic programme. The changes which have been introduced have tended to disorganise the economy without producing any real benefits. For instance, decentralisation of authority has produced an explosion in wages and prices without any matching increase in productivity.

Can Gorbachev reverse this trend? The heart of the problem is prices. All the different approaches to economic change are not going to have an impact unless prices begin to reflect the balance between supply and demand, but a sudden increase in retail prices has produced crises in state-controlled economies from the Danube to the Yangtze. Events in China will not have increased enthusiasm in Moscow for radical reform.

The most likely route for Gorbachev is for him to use his greater political control at the top of the party to put more food and consumer goods in the shops; then raise wholesale prices from the beginning of 1989; and, finally, to move on to retail prices. As reformers begin to introduce radical change, Aslund's study will be essential for an understanding of the options open to the Soviet leadership.

Patrick Cockburn



Police under pressure

TALKING BLUES: THE POLICE IN THEIR OWN WORDS by Roger Graef
Jonathan Cape £15.00, 512 pages

IT'S AN anti-apartheid picket outside South Africa House. A woman police constable - just why women in the police have to be WPCs rather than plain police constables no one has yet explained - notices that a small girl has her shoe laces undone. Trying to be nice, she says: "Your shoe laces are undone, darling." The five-year-old's reply? "Fuck off, you fascist pig!"

Roger Graef's book abounds with such exchanges, which illuminate far better than scholarly circumlocutions the uneasy relationship between the police and the public in a modern democracy. He and his researcher, Marc Giltrow, interviewed 500 police officers from 12 different police forces including the Royal Ulster Constabulary.

They offered anonymity for openness; and although they do not claim their respondents were a valid sample of the police, they tried to talk to men and women at different stages in their careers and

with different backgrounds and experience. We hear the officers talking under broad headings, from race to complaints, from corruption and freemasonry, to the effects of life in the force on marital relations.

The main conclusion is what you might expect: that here we have a group of ordinary people asked to do extraordinary things. Their statements are vivid testimony to the pressures on the police. A former PC in the Met, aged 27, talking about public order duties during the miners' strike, says: "It was like doing a baton charge in Palestine or something." And a WPC says: "They talk about the effects Vietnam had on the Americans. In this country, we've got police officers who are facing, over a longer period of time, much the same sort of frightening experience."

From the Broadwater Farm riot to the everyday horrors of child abuse to the drugs and the foul-mouthed yobs (and children), all this rings true. On the other hand, their comments also reveal how entrenched they have become behind their defensive walls. Not all of those interviewed approve of the new Human Awareness training courses which have been introduced to make officers aware of cultural factors and to approach people

from ethnic minorities with more understanding.

Many point out the differences between what they all know is right in theory and what can happen in practice under stress, particularly regarding suspects. When you are sure someone is up to no good, they say, it is tempting to disregard the niceties. It is all too difficult then to break the solidarity and shop your colleagues, as the notorious Holloway Road incident in 1983 showed. It took two years for the officers who assaulted a group of youths to be identified, despite a national press campaign and investigations by the police's own Criminal Investigation Branch and the Independent Public Body, the Police Complaints Authority.

To suggest solutions to these problems was no part of the brief Roger Graef set himself. So, although the analysis is excellent in the end it leaves the reader dissatisfied.

It is good that sensitive topics are now talked about. But one suspects that the old cliché is applicable: we get the police we deserve. If we want the police to follow the rules, eschew violence and bad language, we should try to do the same ourselves.

Sarah Preston

When age means nothing

THIS BOOK of poetry is the work of a man in his late 70s; yet, it shows a youthful buoyancy and a happy elegiac quality which have nothing to do with age. Every poem is a subtle variation on the sonnet form - in line-length and rhyme, or absence of rhyme. The rich collection is divided

AVAILABLE FOR DREAMS by Roy Fuller
Collins Harvill £11.00, 151 pages

into six sections which meditate on household tasks, the seasons, nature, memory, music, relatives and illness. A love of birds is everywhere apparent.

Roy Fuller has always respected his readers and eschewed obscurity. Here, he writes with a deceptive ease and an almost rueful profundity. As with all genuine seriousness, humour is never far away.

The cumulative effect is powerful. All the poet's passions and pre-occupations are gathered together cunningly and reach a simple grandeur, as is seen especially well in "The Cross" which ends: "... Even dying/in peace-time, in bedrooms, in domesticity, is often too harrowing to be really felt/By cowards such as I, who'd like the spear/At once plunged far in any suffering side."

Roy Fuller has never written better. *Available for Dreams* is the best collection of new poems I have read for a very long time.

Elizabeth Jennings

Britain's curvy culture

THE PLEASURES OF PEACE: art and imagination in post-war Britain by Bryan Appleyard
Faber & Faber £12.95, 367 pages

THE BRITISH coast-line is curvy - and so, it would appear, is the culture of our times, undulating with artistic tendencies and ideas as far back as 1945 and even further, never moving in a straight line. Now, someone has decided to trace the curves.

The Pleasures of Peace is an account of post-war civilisation in Britain, omitting only its pop culture and music, over the past 40-odd years. Bryan Appleyard is a journalist who has already written books about the culture industry and modern architecture, and here he paints a world everyone knows with a broad and sweeping brush, taking in literature, films, philosophy and the visual arts. His chapters are short and not memorably conclusive, but he has a good eye for telling detail and a good ear for the important words, and he puts it all down with a sort of careless charm as engaging as an old seaside postcard. This is

a book to bring back memories. None of it, it must be allowed, looks like the best thing to read on the matter. The book is a panorama, a hold-all, and its view of culture is as fleeting as a London street scene from the top of a fast-moving bus. It stops at Wittgenstein as well as Joe Orton, the novels of Kingsley Amis and David Hockney's canvases, the poems of Philip Larkin and the sculptures of Henry Moore. It glances at Kin's response to Modernism fatuous and does not consider that there might be a rational objection to Modernism, which was not only an alien import to these shores but an efficient way of never looking hard at the world in which one lives.

The essence of literature in our times has been that it has looked, hard and unflinchingly. It is a critical literature. Appleyard has written a nice book but it is only glancingly critical. His ordering is uncertain, its total argument is unclear, and he avowedly finds it hard to find any unifying theme to the story he has to tell.

It begins with the news of Hitler's suicide and ends by musing on the Angel choir of Lincoln Cathedral, of which

the essential Englishness is baffling to describe - unless to say that, like the modern tradition itself, it is curvy. Nothing runs straight in British culture. It is not organised by the state, or by anyone else; it is marked by a great coherency of movements; and it does that much progress (or regress) by manifestoes and schools.

The best that can be said is that it is what it is and does what it does. And what it has done recently is to produce one of the world's great sculptors in Moore and the liveliest theatre and fiction on earth. It is invigorating, independent, various and, some would say, wayward. Some of this emerges from the book but, on the whole, one is left with a nebulous taste in the mouth, pleasant enough but over-blend.

This is about the pleasures of peace, not its joys, and certainly not its tragedies or uncertainties. But it is pleasant to be reminded so much one has lived through such art; and to be soothed, perhaps unduly, by the thought that none of it has done much harm and that it might have innocent pleasures still in store.

George Watson

The code-breakers

ULTRA AND MEDITERRANEAN STRATEGY 1941-1945 by Ralph Bennett
Hamish Hamilton £17.95, 496 pages

ULTRA was the British intelligence operation, based at Bletchley Park, that broke Germany's radio codes ("Enigma") during the Second World War. From the spring of 1941, it provided British and Allied commanders - at first haltingly but, as time went by, handsomely - with high-grade information about almost every facet of the Wehrmacht's planning.

Just how valuable an asset Ultra was in the latter stages of the war has already been attested by Ralph Bennett in *Ultra in the West: The Normandy Campaign of 1944-1945*. In this book, *Ultra and Mediterranean Strategy: 1941-1945*, which is the sequel, Bennett takes us back in time to the beginnings of Ultra and the application of its fruits to the Desert War, the Sicilian landings, and the campaign against Kesselring in Italy. He thus completes a survey that adds appreciably not just to our

understanding of perhaps the most notable of all intelligence coups, but to our understanding of the war as a whole.

That Bennett was himself a member of the Bletchley Park staff adds to the interest of the book: there is nothing starry-eyed in his account. Inevitably, his perspective as a former intelligence officer makes him hyper-critical of at least some of the generals who were on the receiving end of his labours. Wavell comes out badly, Montgomery patchily, and Alexander well.

Broadly, these judgements are a measure of the willingness of those men to base their decisions on the secret reports

sent via London. But Bennett is also critical of the intelligence service itself, drawing attention, for example, to the dangers of making too much out of too little and showing how the best efforts of Ultra in its early days were thwarted by Rommel when he declined to obey orders that Ultra had intercepted.

In fairness, Bennett allows his generals the benefit of the doubt. Because none of them ever put down on paper their indebtedness (or otherwise) to Ultra, it would be idle, Bennett suggests, to reach any firm conclusions one way or the other. He succeeds, perhaps a little too well, in preserving that scepticism which is an essential component of any intelligence service worthy of the name. However, his book is, rather, two books - make superlative reading.

Justin Wintle

BOOKS ON TAPE

TRAVELLERS' TALES
THE THEMATIC BOOKS

TRAVELLERS' TALES, CANTERBURY, KENT, CT3 2AR. TELEPHONE: (0304) 812531

OVER 500 BOOKS IN STOCK

BOOKS/DIVERSIONS

A THOUSAND CAPRICIOUS CHANCES: A HISTORY OF THE METHUEN LIST 188-1989 by Maureen Duffy Methuen £15.00, 166 pages

From Pooh to Pinter

Anthony Curtis on the centenary of Methuen publishers

THE PUBLISHING house of Methuen, which celebrated its centenary this week, had its origin in the voracious appetite of the Victorian middle-class for novels and histories. The founder, Algernon Methuen Marshall Stedman, was a prep school headmaster who wrote his own textbooks and sold them originally from his school.

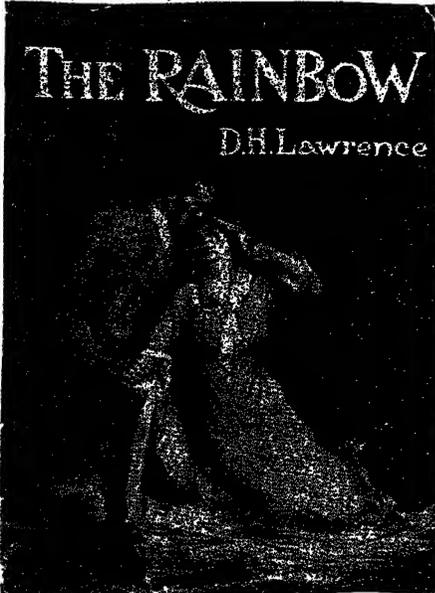
As the demand increased he persuaded that George Bell should distribute them but soon he gave up schoolmastering to run his own publishing company. He called it Methuen, the name which he later adopted as his surname, ending his days in 1924 as Sir Algernon Methuen, Bt.

Stedman had that odd Victorian combination - a strong pedagogic urge and a flair for marketing fiction. He struck lucky in his first season with his first book, Edna Lyall's *Novels* which sold 25,000 copies, and he also acquired for Methuen's list another earnest novelist, the Reverend Sabine Baring-Gould.

The Reverend's best novel, *Melmoth*, with a vivid Essex background, has been reprinted twice since the Second World War (though not by Methuen) and has found a modern champion in John Fowles. Baring-Gould also contributed two popular non-fiction titles to the new firm at the outset, *Old Country Life* and *Historic Oddities*.

The history of a publishing house can all too easily turn into a dreary catalogue of quondam best-sellers and tales of board-room battles long ago. The novelist and poet Maureen Duffy manages to avoid this trap in her centenary volume, *A Thousand Capricious Chances: A History of the Methuen List 1888-1988* by keeping the material firmly under control, and offering a row of incisive pen-portraits of the chief personalities, both among the authors and the senior staff.

The 1880s was a wonderful time to be a publisher in London: all manner of marvellous fish swam of their own volition into one's net. As the firm



D.H. Lawrence was offered a £200 advance from Methuen for his new book *The Rainbow*. Even before he finished it Lawrence felt it might cause problems for his new publisher

established itself, first in Bloomsbury and then in its permanent headquarters in Essex Street, Methuen's haul included Kipling (but only the *Barrack Room Ballads*, not the prose), Mrs Oliphant, Marie Corelli, Conrad, Henry James, Oscar Wilde, Arnold Bennett, and it went on later to publish, D.H. Lawrence, Pearl S. Buck (who, to everyone's surprise, won the Nobel Prize), A.P. Herbert, H.V. Morton and Christopher Isherwood.

Some of these were mere birds of passage, but others stayed to nest permanently and to keep the firm solvent and quietly expansionist up to the second world war. One writer, E.V. Lucas, was a great asset both as an author and a member of the editorial staff. It was Lucas who succeeded Methuen as chairman in 1924. Books with an appeal for children were an early feature of the list with the appearance there of Kenneth Grahame and

in his wake - from Lucas's *Fench* connection - A.A. Milne who brought them their greatest honey-pot in the form of a certain chumpy but lovable bear.

Milne eventually stopped writing Pooh books because he did not wish to be thought of only as a children's writer. He was a most versatile author in many other genres including the theatre. (Just how versatile we shall learn, I expect, when Ann Thwaite's biography of him appears.)

The theatre side of Methuen's list truly came into its own after the Second World War under John Cullen, a lover of the drama and of France. He started the still continuing blue-jacketed play-texts, including works by Brecht, Anouilh, Pinter, Orton, Miller. But, in spite of Cullen's efforts and those of his colleagues, the company's independence was doomed. It had to leave its Essex Street offices and move to New Fetter Lane as part of the whole known as Associated Book Publishers, a group which included Chapman & Hall, Eyre & Spottiswoode, Sweet & Maxwell.

Eventually the wheel of fortune turned again when ABP was sold in 1987 to International Thomson, and they sold the Methuen general and children's lists to Paul Hamlyn's Octopus Publishing Group, itself a member of the Reed International Group. This meant yet another move for Methuen - to Michelin House in the Fulham Road where the company now resides.

Two errors seem to have crept into Duffy's otherwise impeccable account. Gissing wrote some introductions but did not contribute any illustrations or notes to the *Complete Dickens* edition, which indeed was never completed, and Bermyan's first name was John not James.

Methuen has just reissued several titles, including *The Importance of Being Earnest* by Oscar Wilde, the original four-act version (£7.99, 114 pages), in the new format of a centenary edition. Others are: *The Secret Riddle* by A.P. Herbert (£9.99, 192 pages); *Marie Corelli* (£9.99, 192 pages); *The Card* by Arnold Bennett (£9.99, 280 pages); *Barrack-Room Ballads and Other Verses* by Rudyard Kipling (£7.99, 206 pages) and *1888 And All That* by W.C. Thacker and R.J. Yeatman (£7.99, 115 pages).

CORRIEYAIRACK PASS, which crosses the Monadh Liath hills from Dalwhinnie to Fort Augustus, is one of the most famous hill passes in Scotland. Steeped in history at every step, it passes through glorious hills and glens and follows an excellent broad track the whole way, making route-finding easy.

Although the Corrieyairack will always be associated with Lieutenant-General George Wade, the pass has been used for many centuries by cattle drovers from Skye and the north-west to take their herds to the markets at Crieff and Falkirk. Its first military use came during the Covenanter Wars of the seventeenth century.

In 1724, George I despatched Wade to Scotland in an attempt to subdue the Jacobites. Wade soon realised that good communications were the key to success and set about building roads linking the various garrisons. Inverness, Ruthven, Fort Augustus and Fort George (Inverness).

The A9 trunk road between Blair Atholl and Kingussie follows the line of the military road built by Wade in 1723. Before his arrival, the Minigaff route north was via the Minigaff Pass which is shown on maps of 1725 and 1688. Wade's road over Drumochter, linking Blair Atholl with Kingussie, is 36 miles long compared with 26 miles for the Minigaff, and it rises to only 1,485 ft compared with the Minigaff's 2,750 ft.

I have recently walked the old Minigaff Pass and in several places culverts, walls and paving stones can be seen under the heather, having survived 250 years of neglect. Five hundred soldiers under Wade's command constructed a 15-ft wide road over the Corrieyairack at a cost of £70 a mile. They celebrated the completion of the task in 1721 with a barbecue of roast oxen.

From Kingussie, drive to the old stone bridge over the river Spey at Garvamore. This is St George's Bridge, built by Wade in 1732; it is 150 ft long with two arches and blends perfectly with the surroundings. Wade's stone-arched bridges grade the hills in many places, although he considered his finest construction to be that over the river Tay at Aberfeldy.

Walk along the road to Melgarve, then take the track on the north bank of the Allt Yairack burn. You pass several small bridges which Wade built over minor burns; all are now tumbled down, although the Corrieyairack was regularly crossed by tourists in carriages until the middle of the last century.

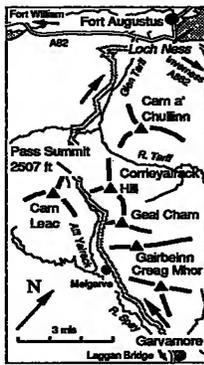
Early travellers wrote exaggerated accounts of the terrors of the pass: "An impossibly arduous road, springing sometimes from point to point over alpine bridges and at other times running in rocky ridges of rock frightfully impending

Walks Through History



St George's Bridge at Garvamore on the Corrieyairack Pass, built by Wade in 1732

Ghostly footsteps on a path to glory



over tremendous precipices." In 1720, Pennant wrote: "People often perish on the summit of this hill, which is frequently visited during winter with dreadful storms of snow."

There soon begins a series of 12 huge zig-zags which take you to the top of the pass at 2,507 ft, the true watershed of Scotland. As you shelter behind a rock on this exposed col, spare a thought for the Marquis of Montrose and his men who battled their way over the pass in mid-winter.

In January 1645 Montrose and his 1,500 weary Royalist troops were trapped at Fort Augustus, with 5,000 opponents led by the Earl of Seaforth approaching from Inverness and 3,000 Campbells from Inverchy in the south. For a day and a night Montrose led

his party stealthily over the snow-covered Corrieyairack Pass and then, without pause, they swung west to Glen Spean and, at dawn, attacked and slaughtered the Campbells. John Buchan reckons this manoeuvre to have been one of the greatest exploits in the history of British arms.

When the clouds are down and mist swirls around, watch out for the celebrated ghost of Corrieyairack. It manifests itself in the form of a stately Highlander with two great dogs and directs the traveller with the words: "That way lies your road."

As you gradually descend the stony track on the north side of the pass to Glen Tarff you can look ahead to the hills of Kintail and Glen Affric. In clear weather you should see the giant hums of Mam Sod-hall and Carn Eige, the highest peaks in Britain north of the Caledonian Canal.

The tributary burn, Allt Lagan a' Bhalnne, is crossed by a footbridge; you then stay high above the west bank of the river Tarff which flows through a deep defile. On the lower slopes the glen becomes more wooded and you can catch glimpses of Loch Ness.

As you walk into Fort Augustus look out for the grim, hunched stone fort standing on a promontory at the south end of Loch Ness. The original fort was built by Wade in 1729 and named after the king's third son, William Augustus, who later became the despised "Butcher of Cumberland".

In 1746 the fort was besieged by the Jacobites and destroyed

when a lucky shot blew up the magazine. Later the commandant was court-martialled for incompetence and dismissed. The fort was rebuilt and visited by Dr Johnson in 1773, when Boswell recorded that their supper included fricassee of mutton and that they received "all the conveniences of civilised life in the midst of rude mountains." In the nineteenth century the government sold the fort to Lord Lovat, whose son gave it to Benedictine monks for use as a boys' school.

Put to return to Corrieyairack Pass. Although Wade built it for the rapid movement of government troops and supplies, ironically it was first used in battle by the Jacobites.

In August 1745 Bonnie Prince Charlie and the Jacobites marched over the Corrieyairack Pass on their way to take Perth and Edinburgh. General Sir John Cope was at Dalwhinnie with a small and ill-equipped force, but on hearing the news of the Jacobites' approach he decided against engagement and withdrew his troops to Inverness.

Although, in the circumstances, Cope's action was sensible and he was exonerated at the subsequent enquiry, "Johnny Cope" became for evermore the laughing-stock of the Scots.

The described walk over Corrieyairack Pass is 17 miles long and 8 hours should be allowed. Maps: O.S. 1:50,000 Sheets 34 and 35. Accommodation: Dalwhinnie, Laggan Bridge, Fort Augustus.

Richard Gilbert

Sid the First's long shadow

THE PORCUPINE: THE LIFE OF ALGERNON SIDNEY by John Carswell John Murray £18.95, 274 pages

ALGERNON SIDNEY, for so long the rigid totem pole of the extreme Whig religion, has suddenly tumbled into a fascinating and humane study. The prickly republican who rejected Cromwell's tyranny as openly as the Divine Right claims of Charles I had, it seems, together with his brother, preceded Charles II in the favour of Louis XIV. Indeed the Duke of Monmouth may have been his nephew rather than Charles II's son.

A year ago Dr Jonathan Scott published the first of two volumes *Algernon Sidney and the English Republic* and the second, which is his political life. And now John Carswell, who has written the best books on the South Sea Bubble and on the Dutch invasion of 1688, has produced a biography which is masterly in its insights and its proportions, as

well as bringing important new material before the public with elegance and clarity.

What the book reveals especially is the variety of Sidney's experience and attainments. The younger son of an inadequately funded nobleman he early became acquainted with the diplomatic world when his father was ambassador first in Denmark and then in Paris, and was involved in the hopeless financial shuffles and shifts by which so many of his class cut away such ground as they had to stand on rather than bring expenditure into a modicum of acquaintance with income. Not that Sidney was himself extravagant except perhaps in the stable on which he prided himself. Rather he was embarrassed by the follies and mismanagement of his family, to whom he was consistently generous and he was deeply conscious that a nobleman ought not to live meanly.

Above all he was proud of being great nephew to the celebrated Sir Philip and resolved to act a part worthy of him in national affairs. In contrast to his father and his elder

brother, who shuffled, evaded, jumped on and off bandwagons, his courage was as clear as his principles. His distinguished service in the Civil War (in which he was badly wounded) entitled him to rewards under the new regime.

But as Governor of Dover he was too magnanimous for the seals. He humbly allowed Cleveland's wife and children to join him abroad. Even more important it seems clear on Charles II's later admission that Sidney once saved his life. Was it during the Second Civil War as Carswell suggests? The evidence is tantalising but it is enough to make his judicial murder under that king 35 years later still more despicable.

That Sidney read far more widely on history and politics and wrote more eloquently than anyone had ever imagined, has only recently been established. Carswell fortifies this and further stakes out a claim for him as a diplomatist of rare achievement. The *Treaty of Breda* (1659) of which Sidney was the real architect, settled the long and venomous dispute between Denmark and Sweden over entry to the Baltic, apparently for good and all. His dignified and cultivated atmosphere of Rome but most of his time was spent as a lonely, acrid, well-read country gentleman in a remote part of Gascony.

What, in the end, does it all add up to? Carswell's invocation of General de Gaulle and George Orwell is brilliant as is his apt quotation from *Pinocchio Reduz*. Algernon Sidney has cast a long shadow, particularly in America where his works were reprinted and towns were named after him. In England he is popularly commemorated by the name "Sid." It seems strange to connect so reserved, so patrician, a figure with the marketing campaign for British Gas. But history is stronger on honour than taste.

Richard Ollard

A candid view of US politics

THE PRICE OF EMPIRE by J. William Fulbright Fourth Estate £14.95, 243 pages

THOSE WHO, despair of domestic politics, would be refreshed by reading Senator Fulbright's candid new book. It is a powerful plea, backed by more than 30 years' experience in Congress, and made all the more eloquent by its moderation, for greater rationality and realism in international relations, political, military and economic. (Now in his mid-eighties, Senator Fulbright can be justly described, in words used by President Kennedy about himself, as "an idealist without illusions.")

Born in Arkansas in the deep South, and a Rhodes scholar at Oxford in the early 1930s, he became chairman of the Senate Foreign Relations Committee for 15 years, and founder of the Foreign Scholarships scheme, based on the belief that better international understanding leads to lesser conflicts. Truman once told him his views might have been different if he hadn't gone to Oxford. Others may think that there has been no more convincing advertisement for the Foreign Scholarships idea and the Rhodes Scholarships also than the Senator himself. Kennedy considered inviting him to be Secretary of State, but he

preferred the status of independent critic in Congress.

Certainly Gorbachev's revolution in the Soviet Union in the last few years is a dramatic justification of Senator Fulbright's long stand on US foreign policy ever since Stalin's death. Through a strong supporter of Nato throughout, he emerges in this book as a scathing critic of US foreign policy as too aggressive, too obsessed by anti-communism and too anxious to intervene overseas even with military force. In nuclear weapons the US should have settled for parity, rather than striving at great cost to be No.1.

From the start, the Senator attacked McCarthyism and opposed the Vietnam war, regarding the constitutional pretext of the Tonkin Resolution as a deception of Congress. Reagan's imperial presidency (he says) amounts to a belief that he could "do anything he liked as Commander-in-Chief and chief executive." His Star Wars idea was a costly absurdity. Now, the Senator believes, "with enlightened and remarkably audacious leadership in Moscow, our new President has an unprecedented opportunity to negotiate with the Russians on a wide range of issues."

Boldly Senator Fulbright also doubts the wisdom of boasting too much about the comparative success of the US economy, which he believes

has been weakened by too many "military-industrial" adventures. He even wonders whether a socialist regime, launched in the "most desirable piece of real estate in the world" (i.e. north America), might not have done a fair job.

On the US political system and the sacred cow of the constitution itself, the Senator is even more heretical. "Not only do our elections go on for two years; our scandals last almost as long." Television, with its enormous costs, "has distorted and demeaned the electoral process."

In some ways Senator Fulbright explicitly prefers the British system where the exec

utive has to meet the legislature every week, and you can get rid of a prime minister without vast upheaval. "In a parliamentary system Nixon would have been forced to resign early on and perhaps affecting the course of history." "Paradise Protection" is the CPRE's latest report. What is new is that it sets the evergreen issue of loss and depreciation of the countryside in the context of 1992, when the single European market comes into force.

Since the EC then will have a control of our environment, we cannot escape a Euro-view. So it would be wise to sort out the issues now, including improving the EC's draft Habitats Directive, and not bury our heads in the sand - let alone follow Lord Calthness of the DoE and "propose the addition to the official best list."

The report maintains the CPRE's fine track record. Founded in 1926 as the Council for the Preservation of Rural England, it has always been a pioneer. Its first major campaign against the ribbon development of towns and villages, foreseeing the effects of the motor car, was rewarded with legislation in 1935. That is mirrored in its success in the early 1980s in the fight to keep the Green Belt. In 1929 it was urging the case for national parks; in 1953 battling to save the Berkshire Downs from the

Douglas Jay

Crime

GONE AWAY by Hazel Holt Macmillan £10.95, 192 pages

A SERIES OF MURDERS by Simon Brett Collins £10.95, 187 pages

IN *Gone Away* we have a tidy, traditional murder, introducing the sensible, intuitive middle-aged widow Sheila Mallory (destined, we are promised, to appear in further adventures.) Village gossip, families' feuds, back-biting at the WI, tea and trips to the vet scenes

from everyday life. Hazel Holt has a keen sense of landscape, a sharp eye for human foibles, and an admirable tolerance of frailty. This a welcome debut.

Charles Paris in *A Series of Murders* is playing a dull-witted village policeman in a new TV series. When he isn't in front of the camera (or on the telephone trying to win back his separated wife) Charles figures out what is going on. All is narrated with Simon Brett's usual acerbic humour and wide-ranging invention.

William Weaver

Environment

Watchdog of the woods

Gerald Cadogan on a bulwark against threats to rural life



M4 and find a better route.

It has a plentiful supply of sensible experts and supports its local branches with witnesses and advice in planning disputes. For example, last year at Lyndhurst in Hampshire, the CPRE proposed its own route for a bypass (A337), to safeguard the New Forest. It also lobbied hard against the county council's promoting a private Bill for the road, a device that had the advantages of sidestepping such inconveniences as public inquiries.

It recognises that there are often (but not always) sound cases for developments - whether barn conversions, new villages or infilling in villages - and then sets out to find the best ways to do them.

Paradise Protection is about large-scale and long-term planning for the countryside. It is reasonable to think that the EC may be better placed to take a strategic view of the state of England than we are ourselves, particularly at our district council level of planning. The report first examines the facts. They are disheartening and there are few signs yet of improvement.

Britain lost 40 per cent of its broad-leaved woods between 1947 and 1990, and from 1947 to 1985 100,000 miles of hedgerow. We need a large gain in the number of hedges and ditches for flowers to grow abundantly and animals to make their

homes.

At present there are no UK laws to protect hedges, stone walls or copses. The CPRE proposes Landscape Conservation Orders. The benefit of such a scheme under a Euro-umbrella is that it would be monitored by a larger and superior body. It would need inventories to back it, which would be fairly easy with aerial photography.

Wetlands and very old woodlands, with their distinctive fauna and flora, are a different area that current SSSI (Sites of Special Scientific Interest) laws look after quite well. The CPRE proposes a few improvements, since farming, forestry and public utilities are still damaging SSSIs.

The class of country to suffer

worst in modern Europe is the semi-wild landscape, often used for grazing. In the Mediterranean it has succumbed to villas; in northern Europe to intensive forestry and intrusive grass seeding. From 1974 to 1987 the area of woodland in England (almost all copses) shot up about 50 per cent, and rough grazing declined as sharply. In the south west of England alone more than 5000 ha (a larger area than Exeter) have gone since 1981. Other EC did so last year over Dutch Moss on Islay, where whisky distillers wished to cut peat in a habitat of rare geese. The Scottish Secretary agreed to the scheme, but Brussels promptly stopped it.

Now that the Prime Minister has gone a shade or two of green, the Government will not want to take a hostile position on the Euro-environment if it is wished to show that it is truly committed to such issues. If Europe cares about what we do to our environment and EC standards are higher, that is no cause for us to whinge. Better to accept with grace.

30th Antiquarian Book Fair PARK LANE HOTEL, PICCADILLY, W.1 June 20 - 22 11am to 8pm (last day 11am to 6pm) Under the auspices of THE ANTIQUARIAN BOOKSELLERS' ASSOCIATION Tel: 01 - 379 3041

MOTORING

Bruised, but happy

THIS YEAR, FT writer John Griffiths returned to motor racing after a 13-year gap...

afford it until after they had established business careers. Griffiths, competing in the MG Car Club's 'BCV8' championship for MGs in roadgoing to full-race, 160mph form...

March 4, Goodwood: We arrive for practice apprehensive, in pouring rain. I worm through the roll cage into the car, fire up and am assailed by the horrendous din...

mistic as Nigel Lawson's trade deficit forecasts, I comfort myself with having at last bought a good trailer - dispensed on reflection that the fastest the wrecker had been is while riding on it.

Accelerating, the car slides overwise. In full race trim, MGBs are in Ferrari territory, with nearly 190-horsepower per ton. Almost immediately, fourth gear disappears. Third vanishes too. I complete the lap in second and winch the car ignominiously on to its trailer.

April 16/17, Cadwell Park: Why must my first race be at a track where my previous race 'career' ended - in a triple roll at Cadwell's infamous 'goose-neck'?

Yet such is the camaraderie of the BCV8 group, that Peter Spooner, a partner in City surveyors Edward Erdman, offers me his car. I drive seven laps, making appalling errors, before anxiety about using someone else's pride and joy recalls me to the paddock.

We barbecue in the grass paddock of this most known but most scenic of UK circuits, near Humber Bridge. At dawn, the silence is palpable, broken only by occasional birdsong. The 'goose-neck' looks innocuous.

March 18, Brands Hatch: Whoever built the gearbox had missed out two cogs, discovered during a 1300 rebuild by current BCV8 champion Tony Price. His Bedford race preparation business, I am beginning to learn, has fully earned its nickname, Midnight Motors.

Everyone else seems humbly at first. My 13th place on the grid is rendered irrelevant by a loose tyre 100 yards into the race. At least practice was completed.

Now, in the paddock, the B passes scrutiny: tyres, roll cage and crash helmet are all scrupulously checked - but won't start. By the time it is pushed into life, everyone else is well into the 20 minutes' practice - which is all you get for your 50 entrance fee apart from the 10-lap race. My engine blows up, unprovoked, on the first lap.

May 7, Castle Combe: Practice starts me sixth on the grid at this fast, ill-surfaced Wiltshire circuit. It is dry. The engine seems reasonably competitive but the suspension ill-sorted.

Money worries loom larger. My budget is looking as optimistic as Nigel Lawson's trade deficit forecasts...

There is the exhilaration of controlling the car, the channelled aggression of all competition, heightened by the surge of adrenalin and intense commitment involved in risk sport.

Postscript: I have escaped with slight head and hand injuries, concussion and bruising to face some basic dilemmas of the privateer driver.

There is the exhilaration of controlling the car, the channelled aggression of all competition, heightened by the surge of adrenalin and intense commitment involved in risk sport.



Peter Franklin and Tony Price of T and L Autos survey what might be salvaged from the wreckage of a racing car belonging to FT journalist John Griffiths

sheer speed, the satisfaction of controlling the car, the channelled aggression of all competition, heightened by the surge of adrenalin and intense commitment involved in risk sport.

The sun beats down hard as we start practice, and what a superb sight some of the Jaguars are: D and C Types, originals and replicas, some worth well into six figures; E Types and full-race XJ S coupes.

On the sixth lap, with the 'B' 20th fastest and quicker than all but eight of the 30 Jaguars, I brake hard into 'bus stop', a chicane approached flat out through the curves of Blanchimont.

Yet there is another side to the coin - one recognised, by my wife, Peggy, who has encouraged, and still does not oppose, this return to racing.

May 14, Brands Hatch: Under strict instructions from championship president Barry Sidersy-Smith to stay out of trouble because of next week's 'international' in Belgium, I finish an unpectacular 12th overall.

For she has come to feel, over the years, of being 'responsible' - of buying a house, laying financial foundations, having children, etc. and the spark which once made me tolerable, even fun, days has faded.

May 20, Spa: The season's high spot: the Jaguar v MG challenge, involving nearly 70 drivers on this seven-kilometre circuit deep in Belgium's Ardennes.

By modern standards, the fuel consumption is heavy - an estimated 15 to 16 mpg (18.8 to 17.6 litre/100km) if you exploit the still-muscular performance. It is easy to see why.

There is the exhilaration of controlling the car, the channelled aggression of all competition, heightened by the surge of adrenalin and intense commitment involved in risk sport.

But at this stage, contemplating surviving assets which comprise one engine, one gearbox, one back axle (with one steering wheel, I haven't the foggiest idea how...

Car for ego trippers

Stuart Marshall drives a Vicarage Jaguar

WHAT PRICE exclusiveness? In the case of the Vicarage Jaguar, it's about £50,000. This buys you an almost 30-year-old car inferior in every logical respect to a current production Jaguar...

steering, with power assistance, compared quite well with that of modern cars. But the lock was poor and the turning circle embarrassingly wide.

the torque converter is constantly slipping. Why buy one? Mainly for ego tripping, I suppose.

It looked elegant and rode quite remarkably well, confirming that Jaguar were so far ahead of the field in road noise suppression that only cars such as Rolls-Royce and Peugeot came within striking distance of them.

By modern standards, the fuel consumption is heavy - an estimated 15 to 16 mpg (18.8 to 17.6 litre/100km) if you exploit the still-muscular performance. It is easy to see why.

I doubt this matters much to those who buy them. What they seek is the nostalgic thrill of stepping back into the past, without having to worry about the uncertainties of driving most aged cars.



The Vicarage Jaguar Mark II 3.8-litre. A classic car satisfying a craving for nostalgia

MOTOR CARS

JAGUAR AUTHORISED DEALERS GUY SALMON JAGUAR. Lists various models like XJS 3.6, XJS V12, and Daimler with prices and specifications.

VEHICLE LEASING

REGISTRATION? The choice is yours... Whatever your business motoring requirements Charles Clark can supply any make, any model...

MERCEDES AUTHORISED DEALERS

RELIANCE OF CHRYSLER. When only the best will do! JUST A SAMPLE OF OUR EXTENSIVE RANGE OF USED VEHICLES.

PORSCHE AUTHORISED DEALERS

Dick Lovett, Western Counties, SWINDON, BRISTOL, MERCEDES BENZ, SAAB AUTHORISED DEALERS.

Chess

THE WATSON, Farley & Williams International is among a few major tournaments where the sponsor - in this case, a leading firm of City solicitors - provides the venue as well as financial backing.

Chess

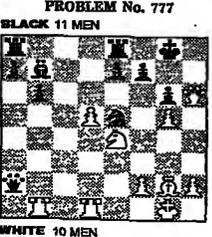
White's central pawn formation QB4-Q3-K4 is restrictive and spilling, making it hard for Black to undermine it or free his game.

Bridge

BOTH HANDS today are concerned with finesse. The average declarer is always happy to stake his contract on a 50 per cent chance, but the expert examines the position and decides which finesse is essential and which is to be avoided.

Bridge

from the table; if it loses, West is endplayed and forced to return a heart into South's tenace, or give a ruff discard by a diamond return.



WHITE 10 MEN Svedchikov v Estrin, Moscow 1977. White to play; can he make a move which forces an early resignation? Solution Page XXV

Leonard Barden

This force of control - South rebid three hearts and North raised to four. South now said five no-trumps, the grand slam force.

E. P. C. Cotter

DIVERSIONS

Guerrilla warfare leaves few in the zoo

Despatches: Christina Lamb reports from besieged Kabul on the stalemate in Afghanistan

KABUL ZOO has a problem. No-one will give it any animals. In fact, it may be the world's only zoo with more dead animals than live ones.

While pelicans apparently thrive on war, Habibullah says that the fighting has had an adverse psychological effect on the other animals. Some have developed severe heart conditions.



Mujaheddin fighters advance on Jalalabad

les of reality. All the animals that die are stuffed and installed in the zoo's museum, which now has more exhibits than the zoo. Despite its dejected animals,

stagnant pools, dead flowers and fountains which long ago ran dry, the zoo attracts many visitors as it is one of the few places in which people can legitimately loiter without

being moved on by army personnel. However, lurking behind the yak skins are the secret police, instantly recognisable by their similarity to KGB agents in low-budget "B"

movies. Despite the desolate appearance of its zoo, Kabul does not have the atmosphere of a city under siege. At the airport, the Mujahed-

din prime military target, a new terminal is being built. At Kabul hotels colourful and noisy weddings take place every afternoon. Bright yellow taxis ply up and down, only their prices reflecting the shortage of fuel.

Only the large presence of uniforms, the dull boom of Soviet missiles five times daily and the constant buzz of planes overhead - the air bridge from the Soviet Union that is Kabul's lifeline and the jets off to bomb Jalalabad - are reminders that this is really the city from which most western embassy staff fled in February, predicting chaos after the Soviet troops had left.

For the aid workers and diplomats who stayed on, trying desperately not to get stuck in the town they call "Kabulistan," the main clue to the fighting outside is that Kabul itself is shrinking. The area in which people are allowed to

travel is now just 12 sq km. Adding an Orwellian touch to this prison-like existence is the music and commentary blaring from loudspeakers across the city, from 5am to the 10pm curfew. This is less insidious than it seems. The practice started during the reign of former King Zahir Shah in the 60s, when few people had radios. The commentary appears to be mostly Kabul's equivalent of the Jane Fonda Workout programme, something I have yet to see anyone participate in when it starts up at dawn outside my window. The music is muzak; current favourites being the theme from the Archers and Love Story - the Government is obviously anxious to show they are not afraid of western corruption.

IN THE 35 years between 1785 and 1830 a large number of books were printed giving advice on the education and conduct of ladies. Drawing mainly on the British Library, under catalogues bear a most curious, and I have noted 119 separate editions in Britain or Dublin with others on either side. There were also numerous reprints in the US. The sheer numbers of these books establish them as a cultural phenomenon unique to the revolutionary age.



families and husbands. A double standard is accepted and commended without the need for justification. Wit is an asset to a man but a liability in a woman. So is knowledge. The author, John Gregory (A Father's Legacy to his Daughters), "But if you happen to have any learning, keep it a profound secret, especially from the men."

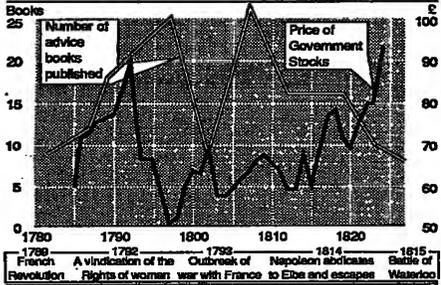
Bibliography Advice on ladies' conduct

ful. Here, as elsewhere, unequal gender roles are both accepted and reinforced. Whereas men under emotional strain can throw themselves into business, games, and outdoor sports - even drink and other women

In cultural terms the books reflect the views of groups who feel that their society's values are threatened. They long for the old days when order reigned, when the agricultural economy was matched by a religious moral economy, and mutual respect marked relations between the privileged and their subordinates.

With many husbands and brothers away in the armed forces, they were the guardians of the home front. It is not surprising that the views of opponents were seldom printed. Mary Wollstonecraft was unusual in being able to publish. However, contrary views were evidently often heard even if they were not written down. In order to rebut them, the advice books had to mention them, although they were careful not to enhance their legitimacy by treating them with respect.

The fear Mrs Wollstonecraft's name inspired can be detected in indignant outbursts, as when Mrs More writes, "the imposing term of rights has been produced to sanctify the claim of our female pretenders..."



events which might have been expected from the way in which the problem of women was perceived. For example the biggest rush comes after 1793 with the outbreak of war, the Terror in France, the treason trials, and the anti-Jacobin panic. There is a dip in the early 1800s when the short-lived Peace of Amiens (1801-1803) seemed to imply a return to normality, but numbers pick up again with the resumption of war.



these books grew up to be the Victorian ladies whose commitment to traditional female values and gender roles was genuine, strong, and scarcely challenged. In the Victorian period advice books on conduct gave way to books on etiquette, cookery, and needlework. In the battle of ideas, women were defeated as decisively as the French and they ceased to be more than an occasional rumbling worry. Their subjection was to continue long after the post-war political settlements had been swept away by repeated resurgences of the other ideas which the wars had been fought to destroy. If it was the advice books which compelled women back into their previous unprotesting subordination, they proved more effective than the bayonets of the allied armies.

Gardening Nice pots, pity about the plants

But we can learn from looking around, says Robin Lane Fox

THERE ARE terra cotta pots, designer pots, pots made from fibre glass and pots which blow over in high winds. Everybody is keen to sell them because they cost more than a tree and do not need watering or coaxing into growth for three or four years. What, though, should we put in them, now that petunias come in such crude colours and pansies are all too predictable?



Good ideas do not have to be grand. It was only by visiting that I learned that good old Canterbury Bells make wonderful pot plants at this time of year, between the irises and the final flush of roses. Best of all, you can dig them up only a week or two in advance, move them into a pot and still expect them to settle down, open their buds and look spectacular.

Garden gates are a good source of half-hardy potting plants over the next few weeks: good gates may offer a plant labelled mimulus Ghintinos. If so, buy it on trust. It is rather dark green in leaf but throws up bright orange flowers in a cheerful way throughout the summer. The gardens at Sissinghurst show it at its best.

They also gave me the idea of pots of deep purple cherry pie, or heliotrope, and separate plantings of dark violet-purple petunias. Single colour potting is often bolder than a multi-coloured mead. Above all, do not be misled by a Mediterranean scape. Petunias are certainly not in fashion for pots in full sun, to be packed with bright daisies and things which die in frost in semi-shade and shade, they allow you to grow fuchsias which will flower all summer. Ilex, lobelia and, especially, some notable hostas.

I HAVE become so accustomed to friends returning from China and telling me about the wonderful scenery, gardens and plants they have seen that it is a surprise to be reminded that it is barely 10 years since such travel stories became possible. It is tragic that, at the very time when the best book is published on recent plant-hunting in China, the possibility of further travel is once again under threat.

The botanist who found paradise

Arthur Hellyer reads a definitive account of plant-hunting in China

impossible. This five-week journey had been planned by the Yunnan Institute of Botany and eminent Chinese botanists accompanied the party. It proved immensely rewarding and a considerable section of Lancaster's book is based on it.



rich but little-known meadows to the east, south and west of the mountain range for which Lancaster and his party were heading and their itinerary had been planned by the Chinese Mountaineering Association. Some of its members accompanied them.

It proved another fruitful journey and a long chapter in the book is devoted to it headed "The Peak and the Poppy." The peak, of course, is Minya Konka; the poppy is Meconopsis integrifolia, which was discovered unexpectedly when the party clambered out of its bus to take a final look into Tibet from a vantage point near the summit of the Zheduo Pass.

Advertisement for St. Joseph's Hospice, MARE ST. LONDON EB ASA (Charity Ref. No. 231323). Since 1905 we have shared the grief and eased the pain of countless suffering souls.

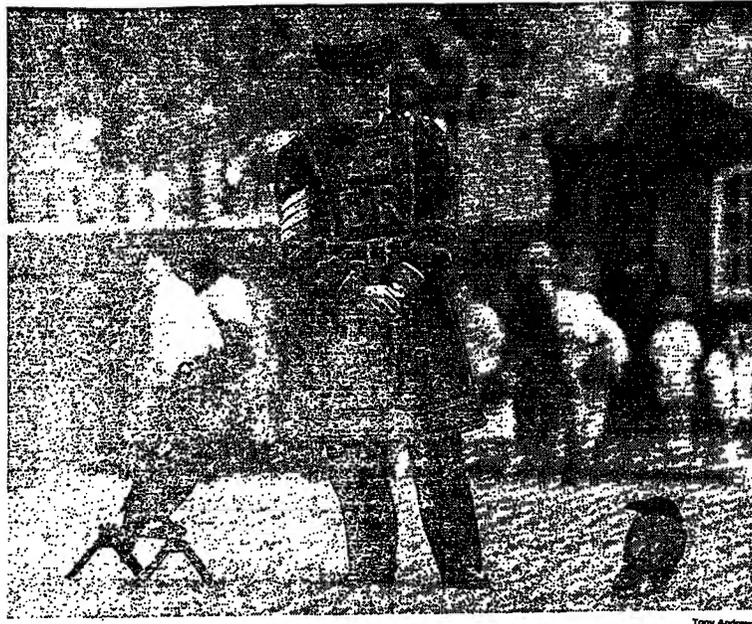
Advertisement for Westwood, FAST CUTTING SUPERB COLLECTION. For big garden care and mowing perfection... No other tractor does more to save time.

Advertisement for Westwood, FREE 50-PAGE BROCHURE PLUS VIDEO OFFER. Fact-filled VHS video, showing Westwood at work, to keep or re-use just as you please.

DIVERSIONS

The Tower goes commercial

Christian Tyler on a change of emphasis at Britain's most historic monument



A Beoester with two of the Tower's ravens, descendants of the royal menagerie once kept there. Tony Andrews

THEY ARE changing the guard at the Tower of London. Not even Britain's most historic monument is being allowed to escape the managerial zeal of a reforming Government. But the change will be a discreet one, unnoticed by the 2m or more visitors who will stream through the 900-year-old fortress again this year looking for thumb-screws and dungeons, the Crown Jewels, moustachioed Beefeaters and talking ravens.

Officially, the Tower is a royal palace owned by the Queen - not personally but "in right of Crown" as the reigning monarch. It is commanded by a military governor and run as if it were still a garrison. It has become a tourist trap almost by accident.

The Tower ceased to be a royal residence centuries ago. The state prison closed down, the Mint moved out and the Duke of Wellington's Dover squire and a restorer of the 1840s to forestal a revolution, has been disbanded. Yet, somewhere behind those crossbows, pikes and suits of armour, there is almost certainly a small arsenal of modern weapons for use in case of public riot or war.

From this year, for the first time in its history, the Tower is to be

managed for tourism. The present governor, Major-General Patrick MacLellan of the Coldstream Guards, retires next month. Described by the Department of the Environment (DoE) as a sort of non-executive chairman, and by his colleagues as the squire of a military village, the general is an appointee like all his predecessors. But his successor, Major-General Christopher Tyler, whose appointment has just been announced, was chosen after the job was advertised publicly. Of the six finalists, five were retired military men and only one, as it happens, a civilian.

The military tradition will not cease suddenly. The Constable of the Tower, Field Marshal Sir Roland Gibbs, will continue in his ceremonial role and the Beefeaters (whose proper name is yeoman warders) will continue to be drawn from the armed forces. But the new governor will become, in effect, the general manager of commercial operations. This changing of the guard at the Tower is part of a wider devolution of traditional civil service functions. From October, the DoE will hand over to a new government agency the day-to-day management of the occupied royal palaces: the Tower, Hampton Court, part of Kensington Palace, Kew Palace and

Queen Charlotte's Cottage, and the Banqueting House in Whitehall. A chief executive for the agency, to be called Historic Royal Palaces, will be selected next month from the 170 who applied for the post, which pays between £39,500 and £42,900. His job will be to maintain the fabric of the palaces for the future "in a way which ensures maximum value for money"; to show them off in a way that is "consistent with their status" but enhances the visitors' enjoyment and education; to make a good return on the business; and to reduce, if not eliminate, the cost to public funds.

The annual deficit is usually about £4m. The palaces will in this financial year cost £17.5m (a figure swollen by the Hampton Court fire damage), take £9.5m at the turnstiles and make about £2m on guide-books and souvenirs. The Tower alone yields about £7m a year and is probably the only palace that covers its costs. It will be tempting for the new management to see it as the agency's cash cow.

This week, you could still get into the Crown Jewels without queuing but, round the corner, people were waiting 20 minutes to look at the instruments of torture. What could be easier than to turn the Tower

into a chamber of horrors with decapitations on the green, shrieks in the towers and blood on the walls?

Eugenie ("Genie") Turton, the civil servant in charge of the DoE, promises that will not happen. A reproduction block might be put on the green, but simulated beheadings are out. She said the agency would follow the example of English Heritage, the National Trust, some of the US historic sites and the better privately-run houses, like Warwick Castle, in maximising income without sacrificing quality.

The military character of the Tower was quite important, she said, but it was somewhat anachronistic to insist that it be run by a former military officer. The analogy was with the quality press. A policy of maximising revenue did not mean automatically going down-market. The educational standards of the consumers could still be raised.

Although the agency's remit suggests that, one day, the royal palaces will be able to pay for themselves, they are under no deadline pressure to do so. If anything, she said, the new organisation would avoid some of the "littleness" displayed by DoE management of the palaces in the past.

The FT's food and drink writers contemplate the finer points of bran, the renaissance of a restaurant and Piedmont's excellent vino

Food for Thought

Feeling our oats

THERE ARE some people who eat breakfast cereals at non-breakfast times of day - cornflakes for lunch, that kind of thing. Most of us aged over 18 regard this as not merely very eccentric but generally as wanting in the basic instinct of self-preservation, the sort of thing that meals-on-wheels were set up to prevent.

This seems very odd. British Rail has, after all, led the way in feeding us a cooked breakfast all day. And if it can take pride in giving us egg, bacon and a fried slice at six in the evening, then why not servings of porridge or muesli?

The habit of eating grains or cereals will, for breakfast seems (with the exception of porridge) to be a comparatively recent thing. When Mr Kellogg invented the cornflake, it was a new kind of food altogether and found its way to the breakfast table because there was nowhere else for it to go.

Modern dietary science and modern hysterical faddism (which is not the same thing at all) both favour the mixture of grains with milk as a healthy way to nourish oneself, although they both seem fixed on breakfast as the right time for it. The market for breakfast cereals is now worth about £500m.

The original trick seemed to be for the cereal on your plate to conceal very thoroughly its granular origins; but nowadays the trend - muesli-led, of course - seems to be the other way and breakfast cereals to look more and more like the contents of the old earthenware nosebag.

The thing that brought this whole issue to mind was an invitation from Jordan's, which has made a name for itself as a miller and processor of grains. I went along to see its old mill, still water-driven, just outside Biggleswade in Bedfordshire.

The world of health-food grains has always been full of new miracle cures for this and that; Jordan's told me of the new properties attributed to oat bran. This staple of the nosebag, derided as horse food by Dr Johnson and usually thrown out in the making of porridge oats, now stands revealed as the most wonderful stuff.

You know about cholesterol; we all do. Bad stuff, furs up the arteries. But the fact is that tinkering with your cholesterol intake in middle life in a waste of time. Most

cholesterol in your bloodstream is manufactured on site by your own liver. Oat bran will disperse it, eliminate it.

An American nutritionist called Kowalski has written a book called *The 5-Week Cholesterol Cure* which makes the case for oat bran among the high-cholesterol men. No, I haven't read it yet but I hope I have the necessary eight weeks to do so.

A well-balanced plate of morning muesli is a tempting thing and I'm afraid a drizzle of oat bran on the top doesn't seem to make it any more appetising. But that's what I'm doing till the book comes out.

Then, I suppose, I shall read it. Then, I shall wessel my way through his "in many cases" and "may have a tendency to" and "a clear correlation seems to emerge" and bingol I'll be back to two stalks of bran and a piece of streaky and an underdone egg.

Not every day, though. I don't want the same breakfast every day and muesli is too good to miss now and then. My wife will not eat muesli unless I give her an apple all over it: I think it's where she draws the line between muesli and uncooked porridge. I draw the line at sugar. Awash with cholesterol I may be, but I haven't got a sweet tooth.

A lot of breakfast cereals - muesli no exception - come loaded with sugar nowadays. However, I find the automatic assumption by some manufacturers that I want sugar on most things to be offensive as well as inaccurate. Jordan's does not put sugar in its breakfast cereals; at least, there was none in the bag of samples it kindly gave me. It puts a lot in its confectionery, though.

As I said at the beginning, it's odd that fashionably healthy grains have found their place only on the breakfast table. Manufacturers aren't content with that and, as one visit to a health food shop will convince you, there is a large and growing market for health confectionery.

Are they better for you than Mars bars or Cadbury's Dairy Milk? It depends on you and your bloodstream. They are equally good at meeting the needs of immediate gratification and taste, primarily of sugar. But I expect you feel better about eating them, particularly if they put you off your dinner.

Peter Lewis

IF YOU ARE tempted by oysters at two shillings and sixpence the dozen, lobster soup at 11 old pence and a glass of Chablis for one penny, then mark the week of August 21 in your diary and make a reservation (lunchtime only) at the original Wheeler's, Old Compton Street, London W1 (01-734-0890).

The occasion is the 60th birthday of this particular restaurant and the beginning of the Wheeler's name and reputation. However, Trusthouse Forte, which now owns the 24 restaurants called Wheeler's, is using this occasion to signal what will, we hope, be the end of a period of neglect and decline.

Even before the 10 Wheeler's restaurants that existed then were sold to Kennedy Brooks early in the 1980s, their standards were falling, and this decline intensified. Although the total of restaurants more than doubled, a number of them were on a franchise basis and the chain was thought of more as a cash cow than a source of prestige.

When THF bought Kennedy Brooks in 1987 for what even the executives now admit was an absurdly high figure - Wheeler's was an important factor in the price. There was talk of increasing the number of restaurants to 90 and of putting them into THF hotels throughout the country.

There were advantages other than Wheeler's name. Eating out in restaurants was becoming increasingly popular, and

fish and shellfish dishes continue to be regarded as a major growth area. Wheeler's could offer the customer economies of scale through its wholesale arm, Wheeler's Fishmongers, which already supplied the restaurants with 250,000 large Dover sole a year and the same number of native oysters in season.

Alongside these advantages there were, however, major problems. Wheeler's customer profile was ageing and its exterior - often perceived as gentlemen's clubs - was not attracting the younger, more affluent diners. This was particularly true of the London restaurants, which account for two-thirds of the total, and was compounded by the fact that the interior design is often over-planned with tobacco-stained walls, poor finish and dull, unsuitable lighting.

Then again, and despite the increasing perception that eating seafood might be better for you, buying fish on a large scale falls to obey some of the basic tenets of supply and demand economics. Nature governs the supply side so completely -

Eating Out

Fading Wheeler's to make a fresh start

both in terms of the quantity of fish available and the weather in which to catch them - that often, when a restaurant decides to increase its order for a particular fish by a significant amount, it can force up the price against itself. Consequently, the price of specialist fish restaurant often are no lower than in any other restaurant while consumers at home can be forced to pay more for fish through its increasing popularity.

Five years ago, when television chefs turned their attention to fish recipes, they advised viewers to substitute monkfish for such classic fish as sea bass, turbot or Dover sole. The result was not a fall in the price of these but, rather, a dramatic rise in the price of monkfish, which can now equal that of the others.

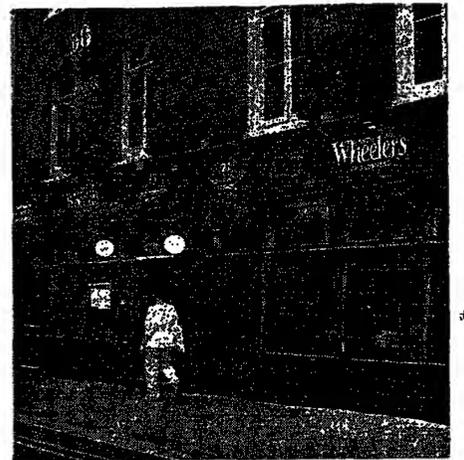
There have been other problems. Even today, most of London's famous Billingsgate fish market is closed on a Monday. This has always been a major dilemma for Wheeler's and, at one point, it even considered closing on Mondays. Its wholesale business and the conserva-

tion of its dishes did not allow it the flexibility in the supply of different species of fish, nor the creativity in their cooking, which was available to others. As the flagship of English fish cooking, Wheeler's has been left behind.

The formidable task of raising and maintaining standards, as well as remodelling the menus and restaurants, is in the hands of Michael Lucy, operations manager of THF's restaurant division. A few restaurants have been closed recently to look at the new menu and the emphasis is now much more on the freshness of the fish.

A new menu has been introduced which, although not revolutionary - the number of ways Dover sole is cooked has been reduced from 18 to 10 - will allow standards to be maintained more easily, and new sources of fish from around the country are to be encouraged. A very different menu for Wheeler's, but one far more in keeping with the new techniques of fish preparation and cooking, will be introduced next year.

Just what these techniques



The original Wheeler's in Old Compton Street. Tony Andrews

are, and how enjoyable they can be for any fish-lover, is exemplified best at the moment by the cooking of Richard Stein at the Seafood Restaurant, Padstow, Cornwall (0841-532-488), recent winner of the Badoit restaurant of the year award.

This restaurant, which has 10 bedrooms and is not that far from London now that Brynmor Air (01-759-1818) flies to Newquay four times a day from London Heathrow, starts with a great natural advantage: it is a mere 100 yards from the quay. This means that Stein can offer an extraordinary range of fresh fish at dinner.

But such is the demand for the very best seafood that even Stein cannot pay under the market and the limited-choice menu is £18.70 for three courses and coffee, while some of the la carte main courses - such as steamed turbot with small beach clams or an escalope of wild salmon with a sorrel sauce - are £15.50. Stein knows, though, that if he does not pay the price, the local fish will be lost and shipped to Billingsgate or the Continent.

As well as a great love and

knowledge of fish, Stein also brings to his dishes the experience he gathered on his travels in the Far East - char-grilled prawns with lemon grass and coriander, for example - and a natural sense of economy. He can offer crawfish at a keen price because he gets those that are caught off the Selly Isles which, while destined for Spain, prove good enough to eat but not good enough to travel. And when one day a batch of crêpe brûlée collapsed, he put the mixture into his ice cream-making machine and created crêpe brûlée ice cream, which he serves with fresh fruit.

These are particular skills and touches that only a chef-proprietor can offer in a single restaurant. They would be impossible in Wheeler's 24 strong-chain with its isolated branches in Edinburgh and Atlanta, Georgia, the aim of which is to bring good-quality fish to its customers via a national menu. However, a copy of Stein's book, *English Seafood Cookery* (Penguin £7.99), spotted on Lucy's desk last week surely augurs well.

Nicholas Lander

Wine

Italy's regal reds of distinction

IN PIEDMONT, Barolo is hailed as "the king of wines." By analogy its neighbour, Barbaresco, produced from the same Nebbiolo grape, might claim to be the queen.

Although there would be no lack of French claimants to the thrones, this pair - two of the original DOC Garantita wines of 1980 and 1981 - are of undeniable distinction. Both are in comparatively short supply, especially the better ones, for there are only 1,200 ha of Barolo, spread over five villages, and 500 ha in three Barbaresco communes.

The former produces less than 50,000 hl and the latter 20,000 hl, less than half that of the whole of Pomerol in a productive year. The vineyards are highly parcelled among the 1,200 growers in Barolo and the 500 in Barbaresco, but only about 10 per cent of these make and market their own wine. The rest sell grapes to the two co-operatives or to private producers.

Both based on the official DOCG regulations, there are two, fairly clearly differentiated, schools of wine-makers. Barolo has to be aged two years in wood (usually large Slovenian oak vats) and one in bottle; Barbaresco a year less in wood. But to claim the Superiore label, a further year in bottle is required for each.

The traditional way of making these wines is to ferment them for anything up to two months after the vintage that begins at the end of October. The wines would then be left on their skins, perhaps up to Christmas; this provides deep colour and strong tannin.

The wines must have minimum strengths of 13 and 12½ degrees respectively. This method ensures long-lived, very tannic products.

"Modern" growers ferment the wines for as little as 10-14 days, or even a week or two longer, but then take the wine off the skins and promote the second, malo-lactic fermentation which reduces the acidity.

If necessary, they do this by heating their cellars.

The shorter fermentation leads to lighter wines. They are still pretty tannic although some of the hard-liners regard these as not the real Barolo. But the styles of Barolo and Barbaresco depend on more than just shorter fermentation, and all agree that they must be deep-flavoured, tannic wines calling for prolonged maturation.

The Barolo area is essentially divided into two, based on two adjoining valleys. The western valley is La Morra, named after the large village



that crowns its crest (and where there is an excellent restaurant, Il Belvedere). This accounts for about a third of total production, plus the smaller output of the Barolo commune.

These wines are reckoned to be lighter than those of the next-door Serralunga, which takes in the Castiglione Falletto, Monforte and Serralunga communes. These are considered tougher and more austere.

Two of the growers whose relatively young wines I found most approachable during a visit last month were Ceretto and Vietti, both in Castiglione Falletto. The small size of most producers' output is demonstrated by Ceretto's 5,000 cases of Barolo and 2,500 of Barbaresco. Another fine producer in the same commune is Rossi.

The biggest firm of all, Fontanafredda, has comparatively large vineyards in Serralunga. Barbaresco is dominated in

international repute by Gaja, an old family firm developed greatly by Angelo Gaja, who travels round the world to promote his wines at very high prices. (Adnams of Southwold in Surrey lists his single-vineyard '78 Costa Russi at £27.95 a bottle, and his ordinary one at £14.95.) But next door to him is an exceptional co-operative, the Produttori del Barbaresco, with about 60 members; its wine is much less expensive.

Another excellent producer is the Cisa Asinari del Marchesi di Gresy, who owns a single vineyard, Camp Gros de la Martinenga.

These single-vineyard (crù) wines of Barbaresco and Barolo follow a similar trend to Burgundy's single vineyard growths, divided among a number of growers. Renato Ratti, a leading La Morra grower who died last year, produced a map showing those in the first growth category and others of Barolo: 17 in all. The former includes Cannubi, the one with probably the leading reputation, in Barolo itself; others include Rocche, Brunate, Gabbuti and Cerequin.

In Barbaresco are Asili and Paje, along with Gaja and Gresy. These names will be found on the labels and, generally, they will be more expensive than the plain district wines.

For admirers (and would-be explorers) of these wines in Britain, there are two problems: price, and the length of time needed for maturing. The DOCG regulations on age mean that they cannot be cheap wines, as most Italian wines are expected to be. (One Barolo grower said to me: "Please don't write that our wines are cheap".)

Indeed, in terms of eventual satisfaction I believe that you should not pay less than £9-10 a bottle on the most recent likely to be listed: '85 and '82, of which I found the younger the more accessible. The older needs a good five years more.

Few of us prepared to lay down fine claret or red bur-

gundy are prepared to do so for these two Piedmont products. On the spot, I tasted Barolo '78 that were not ready and the oldest I sampled was a fine magnum of '58 Barolo blancarillo, the traditionalist doyen of the appellation's growers.

Barbaresco's come round earlier and, for me, are often the more attractive. Neither will turn out like full-bodied burgundies or Rhône's, but they might outdo them.

Opinions differ as to when they should be opened. In the Consorzio's offices in Alba, I sampled six Barbarescos and seven Barolos of varying vintages. These had been opened the previous afternoon, but I did not think they benefited from this as the fruit had diminished and the tannin remained.

The representation of both wines is very sketchy in the UK and, in the course of a short visit, it is impossible to produce an adequate list of the best Barolo producers. But of those I visited, or whose wines I sampled, the traditionalists included Conterno, Oddero, Fontanafredda and Pio Cesare.

The more "modern" growers included Abbazia dell'Annunziata (Ratti), Ceretto, Prunotto, Bruno Giacosa and Vietti, although Vietti (the Currao family) is numbered among the traditionalists but makes more accessible wines.

Three Barbaresco concerns have already been mentioned, but there are others. The situation is complicated by members of the same family owning different vineyards and producing varying styles of wine. Note the forenames!

The best vintages in the past 20 years were '70, '71, '74, '76, '78, '83 and '85.

It would be well worth buying a case apiece of both wines of the '82 and '85 vintages and forgetting them for as long as you can allow your vinous memory to fail.

Edmund Penning-Rowse

LARGE LAWNS TO CUT?

The ALLEN 58" LAWN RANGER TRIPLE MOWER

A major advance in quality lawnmowing - Powerful, quiet, fast, this superb machine runs rings around other garden tractors and collects grass too!

- Ultimate Manoeuvrability
- 8 speed gearbox
- 8 hp Engine
- Big 58" cut
- Grass catching model available.

Send today for full details and access to your nearest stockist

ALLEN Dept: The Broadway, Didcot, Oxon, OX11 8ES. Tel: (0235) 813936

POWER EQUIPMENT LTD. A good idea made better.

HER LAUGHTER LIVES ON.

Laughter in the face of adversity was never better exemplified than in Jacqueline du Pré. Her brilliant career was cruelly cut short by multiple sclerosis at the age of 27.

Now her courage is remembered in a nationwide appeal to help young professional musicians cope with crippling disease. Our aims are to provide facilities for those able to live at home, and specialist care for those who cannot, and help to finance a music building in her name at St Hilde's College, Oxford.

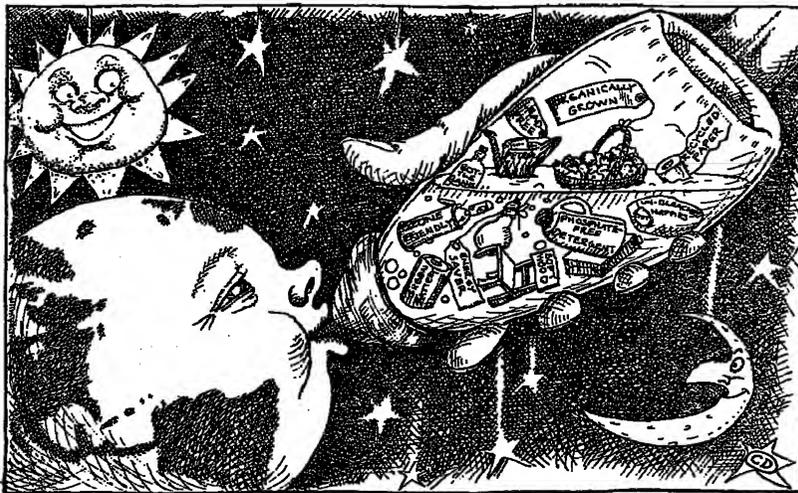
Please help us reach our target of £2m by sending your donation, large or small, to the Jacqueline du Pré Appeal, (Charity No. 800373), 14 Ogle Street, London W1P 7LG.

JACQUELINE DU PRÉ
MEMORIAL FUND
APPEAL

DIVERSIONS

THERE CAN surely be nobody left who needs telling that unless we change the way we live, the world as we know it is doomed. It isn't just tropical forests and elephants that are under threat - we have all become endangered species. Gradually the rivers, the seas, the air we breathe, the earth and the vegetation have become poisoned, polluted, depleted. Unless we change our ways, we and the world are as doomed as the dinosaur. This isn't the kind of news that many of us want to hear. The Friends of the Earth and Greenpeace movements, for example, have been issuing warnings for years but until recently were mostly regarded as well-meaning but slightly eccentric alarmists. Now we all know that the danger is for real and something has got to be done.

You may be overcome by gloom and wonder what you on your own can do. The answer is quite a lot. What is often overlooked is the vast power of the purse. Nothing persuades companies and governments to act faster than the prospect of increased profits, the fear of loss of profits, the threat of diminished - profits. Drifting around your local supermarket you can make a huge impact simply by discriminating carefully between what you buy and what you don't. If you and thousands like you refuse to buy products which damage the environment, then manufacturers will quickly clean up their act. Indeed, many are already doing so.



The cost of going green

How To Spend It this weeks looks at how you, the consumer, can help save the world through the power of your purse

Buying green, though, does mean a considerable change in the way we think. We will have to learn a lot more about the subject so that we can distinguish between products that genuinely are "benign" and those that simply claim to be green.

The green vocabulary is blossoming. We are surrounded by ozone-friendly this and environment-friendly that, so we need to be alert to know which of the claims are true. Using an official and reliable environmental labelling system is introduced we are faced with a mass of products which claim to be green, so keep your scepticism intact and if in doubt, ASK.

We are going to have to get used to paying more for many products that we are used to thinking of as cheap. Organic foods, for instance, cost considerably more than intensively farmed varieties. To those who have grown up on standard supermarket fare, organic foods may come as something of a shock - vegetables look bulky, knobbly and dirty and come in irregular sizes; tomatoes will usually be paler, grapefruit will shine less brightly so on. We have got to become less obsessed with how pretty food looks and much more concerned about how wholesome it is.

If you, like most of us, have been wondering what on earth you can do, where and how you can make a start, here are some suggestions.

Routledge), is a round-up of opportunities that exist for businesses under pressure to go green. It proves that you can pursue profits without destroying the Earth.

Recycling

The heart of the green message is that we must consume less. We have to learn to be less greedy. Waste is one of the great enemies and one of the things that we can tackle straight away. Almost everything that is made uses up some of the Earth's resources, so conserving those things that have already been made and then re-cycling and re-using them is one of the biggest contributions you can make. For instance, Friends of the Earth estimates that almost 80 per cent of domestic rubbish could be re-used if only we all got organised properly.

Use re-cycled paper - whether it is ordinary paper or tea-bags there is these days usually a version that uses recycled paper. Once it was rough, tough stuff, aggressively sending out its worthy message. These days it may not rival Smythson's but it does come in most grades, weights and colours. It is also one of the few green products that is usually cheaper than its more wasteful cousin.

These days you can find these products almost everywhere - however, specialist sources of recycled paper are the Intermediate Technology Bookshop, 103-105 Southampton Row, London WC1; Yorks Naturally Trading, 45 Shelton Street, London WC2; and Tradecraft, Mail Order Dept., Kingsway, Gt. Heath NE1 ONE (tel 091 491-0591). Ryman's and the Instant print chains such as Printaprint, Kall-Kwik and Pip also sell conservation stationery. Both Greenpeace and Friends of the Earth sell re-use envelope labels.

Look out in supermarkets for Fort Sterling's Nouvelle toilet rolls (£1.29 for four rolls, 69p for two) and paper towels (recycled paper, no brightening agent) at 89p for a twin-pack. Several supermarkets, like Tesco and Sainsbury's, are introducing their own ranges of non-chlorine-bleach and recycled laundry and kitchen paper.

Watch what you throw out. Take bottles to bottle banks - besides your local bottle bank, Sainsbury's is now developing bottle banks on its supermarket sites. It already has 29 but lots more are planned. Cans should be taken to local Save-a-Can centres (addresses from The Can Makers Information Service, 326 Grosvenor Gardens, London SW1W 0ED). Tesco's superstore at Colney Hatch has banks where customers can deposit glass, aluminium and steel, and the store recycles polythene and card-

board used in packaging. Save old paper and organise collection from Friends of the Earth, the council or Scout groups. Take old clothes to Oxfam.

Wood

Britain is one of the largest consumers of tropical hardwoods and thus a major contributor to the destruction of the rain forests. Do not buy furniture, windowframes, DIY products or any other wood products made from hardwoods like teak, iroko or mahogany, which come from tropical rain forests. The eco-word to look out for here is "sustainable" - wood from "sustainable" sources means that the trees can be replanted as fast as they are felled, so these woods are OK.

Attractive, durable wood products can be made from temperate hard or soft woods like pine, maple, or oak. If you MUST have a hardwood look out for the Good Wood Guide Seal of Approval, which indicates that the wood comes from properly managed and sustainable forests.

Babies

Look out for disposable nappies made from unbleached wood pulp. Pampers and Procter and Gamble both have abandoned the old bleached wood pulps (the dioxins released by the chlorine bleaches are very toxic and very persistent) - this means the nappies look slightly less pristine but are none the less efficient. Baby Revolve is a range of nappies and biodegradable baby care products which can be bought by mail from Cosmetics To Go, 29 High Street, Poole, Dorset VE15 1AV (tel 0600 373-335).

Batteries

Look for batteries free from mercury and cadmium. There are now lots of names to look for - Varta, Eveready, Phillips, Panasonic.

Cars

In general the less you drive, the less you will contribute to polluting the atmosphere. Walk as much as possible and you'll not only be fitter but keep the air cleaner. Smaller cars use less petrol and emit fewer noxious fumes. You could also fit a converter and change to using unleaded petrol. More and more garages are going to offer unleaded petrol; in the meantime you can find it at Tesco's and Sainsbury's petrol stations. Stewart Marshall, our motoring correspondent, often covers green motoring so keep reading.

Supermarkets

The greening of the supermarket shelves seems to have happened almost overnight, and this is where the way you choose to spend your money will really count.

All the supermarkets are currently taking steps to meet the consumers' desire to go green. Tesco was the first to go in for it in a big way. Marks & Spencer (which, in its food ranges, has traditionally put more emphasis on convenience than greenness), Sainsbury, Asda, Sainsbury, the Co-op, Waitrose, all are making efforts. If you care about such things there is nothing for it but to go in for sustained label-reading - in among the old, wicked brands there are now ranges of green household cleaners.

Those who go in for scented lavatory blocks should check that they are free of PFCB (parachlorobenzene), a fragrance ingredient which survives in the sewerage system and is thought to be harmful to marine life. Look, too, for clingfilm which is plasticiser-free.

Ranges of organic fruit and vegetables are increasing everywhere, with Safeway perhaps still the market leader in choice and variety. Free-range chickens and eggs can be found in several supermarkets including Safeway, Sainsbury's, Waitrose, Marks & Spencer and the Co-op.

Household equipment

All so-called "white goods" are normally huge consumers of energy, but these days there are ranges of energy-efficient appliances which cut the energy consumption enormously. Energy efficient essential items include: 50 per cent less energy, while washing machines and dishwashers can cut the energy used by up to 30 per cent.

The major problem with fridges and freezers is that CFCs (chlorofluorocarbons, which damage the ozone layer) are at the moment essential both in the cooling circuit and in the insulation foam. CFCs are not a problem during the daily running of the machines but are released when the machines are finally disposed of.

The questions to ask when buying a new fridge or freezer is whether or not it has reduced quantities of CFCs. AEG, for example, has managed to reduce the CFC content by 50 per cent in the insulation foam and by 15 per cent in the cooling circuits. AEG, largely no doubt because it is based in West Germany, where the green movement has long been strong, has applied itself seriously to the problem and its new Green Machines all use very low levels of energy. Buyers and Sellers of 120-122 Ludbroke Grove,

London W10 5NB always has a good selection at low prices.

Energy

Use as little energy as possible. Insulate your house properly, turn off lights when not using them, don't use more heat or air conditioning than you need. Ask for energy-efficient products; for instance there are now light bulbs, like Thorn EMIS 2D light bulb and the Totan Dulux EL, which use 80 per cent less energy than conventional models.

Aerosols

Most manufacturers were alerted to about the harm done when the forests of the humid tropics are cleared, about the fate of rare species of animals, about the loss of as yet undiscovered medicinal plants that might bear the cure for cancer. The growth of forest trees, they say, even removes the greenhouse gases from the air and could stop the world overheating.

Household cleaning agents

Look for soap powders, liquid detergents, washing-up liquids, window and lavatory cleaners that are free from nitrates, phosphates, optical brighteners, enzymes, formaldehyde and other complex agents. Look for bottles which are biodegradable and cardboard cartons made from recycled materials.

A good name to look out for is Ark. A non-profit making trust, it has produced six competitively-priced products - a window cleaner, lavatory cleaner, all-purpose steamer, washing powder, washing liquid and washing-up liquid - all of which are almost completely biodegradable (which means they break down into harmless components in water). Find them at Waitrose, Gateway, Superdrug, Tesco and Sainsbury. Several of the supermarkets produce their own green cleaning agents - more label-reading is required to check them out.

Mail order

The Whole Thing claims to be the first national mail order catalogue. Do not expect too much - many of the products are attractive enough in their own way but are exactly the sort of thing you might find in any reasonably well-stocked catalogue (Bolle sunglasses, cotton shirts, fruit juicers, exercise machines). However, there are some specifically green products which it could be convenient to buy by mail - personalised stationery made from recycled paper, lavatory paper and kitchen towel rolls from recycled, non-chlorine bleached paper, a solar-powered Sony Walkman, bath and beauty products made from natural oils and essences, best-wax floor polish and so on. For a copy write to The Whole Thing, School Lane, Donham Massey, Altrincham, Cheshire WA14 5SZ, or telephone 061 238-6116.

Investments

The Finance and the Family sections of the Weekend FT have regularly pointed out that you can now make money on the world's stock markets and still be green. Watch that space and you will continue to be kept up to date.

Gardens

Gardening without chemicals or pesticides is a time-consuming and, in the past, probably impossible task. However, most gardeners have got used to using pesticides, fertilisers and other chemical aids in an abundant way and it's more than time to take a look at the alternatives.

The chapter on organic gardening in *The Green Consumer Guide* profiles three golden rules - stop using chemicals, make sure that your soil is properly looked after and encourage natural life - as well as lots of general advice. It also lists the chemicals found in standard garden products and the hazards they pose. There are now several green garden products to look out for - the Safer range, for example, has what it calls "environmentally friendly" natural organic pesticides which are widely available in garden centres. Our gardening correspondents tell me that they will be writing more on this subject in the near future.

Lucia van der Post

Why the forests matter

James Lovelock is the first contributor to a new series which takes a global view

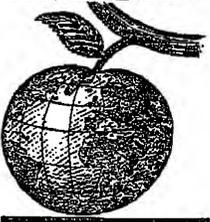
WE HEAR much of the harm done when the forests of the humid tropics are cleared, about the fate of rare species of animals, about the loss of as yet undiscovered medicinal plants that might bear the cure for cancer. The growth of forest trees, they say, even removes the greenhouse gases from the air and could stop the world overheating.

Is there any truth in all this? Or is it no more than the hype of the well-meaning wildlife industry, or of academic scientists hoping to refresh their depleted research funds by an appeal to the private heart?

As a geologist, I think the destruction of the forests of the humid tropics matters, but not because of their rare plants and cuddly animals. I follow an older scientific tradition that goes back to James Hutton, the father of geology.

Life on I think of the Earth as if it were a vast living organism; not just a ball of rock with animals, plants and microbes travelling on it like passengers. In my view, the great forests of the tropics are part of the Earth's skin. Like human skin they sweat to keep

PLANET EARTH



When more than 70 per cent of an ecosystem goes, the remainder may be unable to sustain the environment necessary for its survival. To denude the Earth of forest is like burning the skin of a human; burns affecting more than 70 per cent skin area cannot be survived. Which implies that in about ten years time the trees remaining uncut may begin to die anyway.

Brazilian scientists were once asked by their government to calculate the value of the Amazon forests as oxygen producers for the world. The government spokesman argued that, without the oxygen their trees produce, a human burns affecting more than 70 per cent skin area cannot be survived. He felt that some charge should, therefore, be made for the export of the essential gas, oxygen. It was a fine idea but, unfortunately, calculations of the net production of oxygen by the forests gave an answer close to zero. The animals and the micro-organisms of the jungle used up almost all of the oxygen the trees produced.

Amazonia may not be worth much as a source of oxygen or, by the same calculation, as a sink for carbon dioxide, but it is a magnificent air-conditioner, not only for itself but also for the world through its ability to offset, to some extent, the consequences of greenhouse gas warming. Can a value be placed on this function?

One way to value the forest as an air conditioner would be to assess the annual energy cost of achieving the same amount of cooling mechanically. We are still ignorant of the climatic function of forests, but few would doubt that they reduce the flux of heat received within their canopies by less than 10 per cent. Such a cooling effect would require a refrigerator with a cooling power of 84 kilowatts per acre. In energy terms alone, assuming complete efficiency and no capital outlay, this would cost, annually, £30,000 per acre. The usual fate of land in the humid tropics is to be cleared for cattle ranching. The return from such land for the few years it capable of production would rarely ever reach £100 per acre.

Next time you eat a burger think what you may have been the real cost of production - the stripping of an asset worth about £380. Yes, the 55 square feet of land said to be needed to produce enough meat for one burger was providing a cooling service of £380 per year. If we could say its capital value was £380, then the value of an important jungle, Amazonia, would be £450 trillion.

To value the forests on their cooling capability alone must surely underestimate them. Just now the forests of the humid tropics sustain a home, a habitat for about a billion people; what will be their fate should the tropics become a desert? The forests are more valuable to us all than we have grasped. They are like love itself; something so valuable that we take them for granted.

James Lovelock is an independent scientist; his latest book is *The Ages of Gaia* (Oxford University Press).

THE FINE ART OF SIMPLICITY.

Audemars Piguet
La plus prestigieuse des signatures.

AVAILABLE AT:
ASPREY, GARRARD, LONDON HILTON,
MAPPIN & WEBB, DAVID MORRIS, TYME,
THE WATCH GALLERY AND WATCHES OF SWITZERLAND.

Cookery

Couscous never goes against the grain

Couscous once had a reputation for being the food of impoverished youth. Sure enough, my first taste of the grain, and of the dish of the same name, was as a student in Paris. You can imagine the scene: a noisy, stuffy canteen lit by candles stuck in old wine bottles dribbling their wax onto the gingham checked cloths draped tables packed so closely that it was well nigh impossible to avoid elbowing your way into neighbouring conversations.

The topic was invariably the same: the Meaning of Life. Urgent discussions were argued far into the night, fuelled by never-ending carafes of Algerian red ink and vast pyramids of steaming couscous with mutton and vegetable stew and a fiery harrissa sauce on the side.

Couscous remains good food for hot-headed youth but, in its more refined forms, it has become fashionable in quite different circles, applauded by health lobbyists and sophisticated diners alike. The reasons, I think, are several. First, couscous ties in with today's genuine taste for less meat in the diet. We all know that grains are good for us, and couscous wins converts readily because it is so agreeably light. Steaming is a cooking method that meets with everyone's approval - and the appeal of it is greatest in warm summer weather.

Second, couscous is essentially a one-pot dish, the grain being steamed in the aromatic vapour that rises from the same pot. It is open to endless personal adaptations and variations on the theme. Robust or soft, the choice is yours. The broth can be flecked fragrantly with fresh green herbs, enriched with raisins and sweet spices, or made vibrant with garlic and chilli.

Sheep meat is far from obligatory. Lighter-tasting rabbit or chicken stripped of all skin and fat make excellent alternatives, as does fish. Or you can omit flesh of any kind to cater for vegetarians. As for the vegetables, these can be as varied as your imagination can make them.

In her authoritative *Good Food From Morocco* (just published by Murray at £15.95), Paula Wolfart gives some dozen or more recipes for couscous. The recipe given below is my own and makes no claim to authenticity. In a traditional couscous, all the vegetables are stewed; only the grain is steamed. Stewing is undoubtedly best for winter versions laced with roots, chick peas and the like. But here I prefer the cooking time in the pot (which fits in well with today's preferred style of entertaining. It is just right for convivial gatherings round a kitchen or conservatory table, rather than formal dinners).

Last but not least, couscous allows plenty of scope for the cook. It is open to endless personal adaptations and variations on the theme. Robust or soft, the choice is yours. The broth can be flecked fragrantly with fresh green herbs, enriched with raisins and sweet spices, or made vibrant with garlic and chilli.

Sheep meat is far from obligatory. Lighter-tasting rabbit or chicken stripped of all skin and fat make excellent alternatives, as does fish. Or you can omit flesh of any kind to cater for vegetarians. As for the vegetables, these can be as varied as your imagination can make them.

In her authoritative *Good Food From Morocco* (just published by Murray at £15.95), Paula Wolfart gives some dozen or more recipes for couscous. The recipe given below is my own and makes no claim to authenticity. In a traditional couscous, all the vegetables are stewed; only the grain is steamed. Stewing is undoubtedly best for winter versions laced with roots, chick peas and the like. But here I prefer the cooking time in the pot (which fits in well with today's preferred style of entertaining. It is just right for convivial gatherings round a kitchen or conservatory table, rather than formal dinners).

Last but not least, couscous allows plenty of scope for the cook. It is open to endless personal adaptations and variations on the theme. Robust or soft, the choice is yours. The broth can be flecked fragrantly with fresh green herbs, enriched with raisins and sweet spices, or made vibrant with garlic and chilli.

Sheep meat is far from obligatory. Lighter-tasting rabbit or chicken stripped of all skin and fat make excellent alternatives, as does fish. Or you can omit flesh of any kind to cater for vegetarians. As for the vegetables, these can be as varied as your imagination can make them.

In her authoritative *Good Food From Morocco* (just published by Murray at £15.95), Paula Wolfart gives some dozen or more recipes for couscous. The recipe given below is my own and makes no claim to authenticity. In a traditional couscous, all the vegetables are stewed; only the grain is steamed. Stewing is undoubtedly best for winter versions laced with roots, chick peas and the like. But here I prefer the cooking time in the pot (which fits in well with today's preferred style of entertaining. It is just right for convivial gatherings round a kitchen or conservatory table, rather than formal dinners).

Last but not least, couscous allows plenty of scope for the cook. It is open to endless personal adaptations and variations on the theme. Robust or soft, the choice is yours. The broth can be flecked fragrantly with fresh green herbs, enriched with raisins and sweet spices, or made vibrant with garlic and chilli.

Sheep meat is far from obligatory. Lighter-tasting rabbit or chicken stripped of all skin and fat make excellent alternatives, as does fish. Or you can omit flesh of any kind to cater for vegetarians. As for the vegetables, these can be as varied as your imagination can make them.

In her authoritative *Good Food From Morocco* (just published by Murray at £15.95), Paula Wolfart gives some dozen or more recipes for couscous. The recipe given below is my own and makes no claim to authenticity. In a traditional couscous, all the vegetables are stewed; only the grain is steamed. Stewing is undoubtedly best for winter versions laced with roots, chick peas and the like. But here I prefer the cooking time in the pot (which fits in well with today's preferred style of entertaining. It is just right for convivial gatherings round a kitchen or conservatory table, rather than formal dinners).

Last but not least, couscous allows plenty of scope for the cook. It is open to endless personal adaptations and variations on the theme. Robust or soft, the choice is yours. The broth can be flecked fragrantly with fresh green herbs, enriched with raisins and sweet spices, or made vibrant with garlic and chilli.

Sheep meat is far from obligatory. Lighter-tasting rabbit or chicken stripped of all skin and fat make excellent alternatives, as does fish. Or you can omit flesh of any kind to cater for vegetarians. As for the vegetables, these can be as varied as your imagination can make them.

In her authoritative *Good Food From Morocco* (just published by Murray at £15.95), Paula Wolfart gives some dozen or more recipes for couscous. The recipe given below is my own and makes no claim to authenticity. In a traditional couscous, all the vegetables are stewed; only the grain is steamed. Stewing is undoubtedly best for winter versions laced with roots, chick peas and the like. But here I prefer the cooking time in the pot (which fits in well with today's preferred style of entertaining. It is just right for convivial gatherings round a kitchen or conservatory table, rather than formal dinners).

Last but not least, couscous allows plenty of scope for the cook. It is open to endless personal adaptations and variations on the theme. Robust or soft, the choice is yours. The broth can be flecked fragrantly with fresh green herbs, enriched with raisins and sweet spices, or made vibrant with garlic and chilli.

Sheep meat is far from obligatory. Lighter-tasting rabbit or chicken stripped of all skin and fat make excellent alternatives, as does fish. Or you can omit flesh of any kind to cater for vegetarians. As for the vegetables, these can be as varied as your imagination can make them.

In her authoritative *Good Food From Morocco* (just published by Murray at £15.95), Paula Wolfart gives some dozen or more recipes for couscous. The recipe given below is my own and makes no claim to authenticity. In a traditional couscous, all the vegetables are stewed; only the grain is steamed. Stewing is undoubtedly best for winter versions laced with roots, chick peas and the like. But here I prefer the cooking time in the pot (which fits in well with today's preferred style of entertaining. It is just right for convivial gatherings round a kitchen or conservatory table, rather than formal dinners).

Last but not least, couscous allows plenty of scope for the cook. It is open to endless personal adaptations and variations on the theme. Robust or soft, the choice is yours. The broth can be flecked fragrantly with fresh green herbs, enriched with raisins and sweet spices, or made vibrant with garlic and chilli.

Sheep meat is far from obligatory. Lighter-tasting rabbit or chicken stripped of all skin and fat make excellent alternatives, as does fish. Or you can omit flesh of any kind to cater for vegetarians. As for the vegetables, these can be as varied as your imagination can make them.

In her authoritative *Good Food From Morocco* (just published by Murray at £15.95), Paula Wolfart gives some dozen or more recipes for couscous. The recipe given below is my own and makes no claim to authenticity. In a traditional couscous, all the vegetables are stewed; only the grain is steamed. Stewing is undoubtedly best for winter versions laced with roots, chick peas and the like. But here I prefer the cooking time in the pot (which fits in well with today's preferred style of entertaining. It is just right for convivial gatherings round a kitchen or conservatory table, rather than formal dinners).

Last but not least, couscous allows plenty of scope for the cook. It is open to endless personal adaptations and variations on the theme. Robust or soft, the choice is yours. The broth can be flecked fragrantly with fresh green herbs, enriched with raisins and sweet spices, or made vibrant with garlic and chilli.

Sheep meat is far from obligatory. Lighter-tasting rabbit or chicken stripped of all skin and fat make excellent alternatives, as does fish. Or you can omit flesh of any kind to cater for vegetarians. As for the vegetables, these can be as varied as your imagination can make them.

In her authoritative *Good Food From Morocco* (just published by Murray at £15.95), Paula Wolfart gives some dozen or more recipes for couscous. The recipe given below is my own and makes no claim to authenticity. In a traditional couscous, all the vegetables are stewed; only the grain is steamed. Stewing is undoubtedly best for winter versions laced with roots, chick peas and the like. But here I prefer the cooking time in the pot (which fits in well with today's preferred style of entertaining. It is just right for convivial gatherings round a kitchen or conservatory table, rather than formal dinners).

Last but not least, couscous allows plenty of scope for the cook. It is open to endless personal adaptations and variations on the theme. Robust or soft, the choice is yours. The broth can be flecked fragrantly with fresh green herbs, enriched with raisins and sweet spices, or made vibrant with garlic and chilli.

Sheep meat is far from obligatory. Lighter-tasting rabbit or chicken stripped of all skin and fat make excellent alternatives, as does fish. Or you can omit flesh of any kind to cater for vegetarians. As for the vegetables, these can be as varied as your imagination can make them.

In her authoritative *Good Food From Morocco* (just published by Murray at £15.95), Paula Wolfart gives some dozen or more recipes for couscous. The recipe given below is my own and makes no claim to authenticity. In a traditional couscous, all the vegetables are stewed; only the grain is steamed. Stewing is undoubtedly best for winter versions laced with roots, chick peas and the like. But here I prefer the cooking time in the pot (which fits in well with today's preferred style of entertaining. It is just right for convivial gatherings round a kitchen or conservatory table, rather than formal dinners).

Last but not least, couscous allows plenty of scope for the cook. It is open to endless personal adaptations and variations on the theme. Robust or soft, the choice is yours. The broth can be flecked fragrantly with fresh green herbs, enriched with raisins and sweet spices, or made vibrant with garlic and chilli.

Sheep meat is far from obligatory. Lighter-tasting rabbit or chicken stripped of all skin and fat make excellent alternatives, as does fish. Or you can omit flesh of any kind to cater for vegetarians. As for the vegetables, these can be as varied as your imagination can make them.

In her authoritative *Good Food From Morocco* (just published by Murray at £15.95), Paula Wolfart gives some dozen or more recipes for couscous. The recipe given below is my own and makes no claim to authenticity. In a traditional couscous, all the vegetables are stewed; only the grain is steamed. Stewing is undoubtedly best for winter versions laced with roots, chick peas and the like. But here I prefer the cooking time in the pot (which fits in well with today's preferred style of entertaining. It is just right for convivial gatherings round a kitchen or conservatory table, rather than formal dinners).

Last but not least, couscous allows plenty of scope for the cook. It is open to endless personal adaptations and variations on the theme. Robust or soft, the choice is yours. The broth can be flecked fragrantly with fresh green herbs, enriched with raisins and sweet spices, or made vibrant with garlic and chilli.

Sheep meat is far from obligatory. Lighter-tasting rabbit or chicken stripped of all skin and fat make excellent alternatives, as does fish. Or you can omit flesh of any kind to cater for vegetarians. As for the vegetables, these can be as varied as your imagination can make them.

In her authoritative *Good Food From Morocco* (just published by Murray at £15.95), Paula Wolfart gives some dozen or more recipes for couscous. The recipe given below is my own and makes no claim to authenticity. In a traditional couscous, all the vegetables are stewed; only the grain is steamed. Stewing is undoubtedly best for winter versions laced with roots, chick peas and the like. But here I prefer the cooking time in the pot (which fits in well with today's preferred style of entertaining. It is just right for convivial gatherings round a kitchen or conservatory table, rather than formal dinners).

Last but not least, couscous allows plenty of scope for the cook. It is open to endless personal adaptations and variations on the theme. Robust or soft, the choice is yours. The broth can be flecked fragrantly with fresh green herbs, enriched with raisins and sweet spices, or made vibrant with garlic and chilli.

Sheep meat is far from obligatory. Lighter-tasting rabbit or chicken stripped of all skin and fat make excellent alternatives, as does fish. Or you can omit flesh of any kind to cater for vegetarians. As for the vegetables, these can be as varied as your imagination can make them.

In her authoritative *Good Food From Morocco* (just published by Murray at £15.95), Paula Wolfart gives some dozen or more recipes for couscous. The recipe given below is my own and makes no claim to authenticity. In a traditional couscous, all the vegetables are stewed; only the grain is steamed. Stewing is undoubtedly best for winter versions laced with roots, chick peas and the like. But here I prefer the cooking time in the pot (which fits in well with today's preferred style of entertaining. It is just right for convivial gatherings round a kitchen or conservatory table, rather than formal dinners).

Last but not least, couscous allows plenty of scope for the cook. It is open to endless personal adaptations and variations on the theme. Robust or soft, the choice is yours. The broth can be flecked fragrantly with fresh green herbs, enriched with raisins and sweet spices, or made vibrant with garlic and chilli.

Sheep meat is far from obligatory. Lighter-tasting rabbit or chicken stripped of all skin and fat make excellent alternatives, as does fish. Or you can omit flesh of any kind to cater for vegetarians. As for the vegetables, these can be as varied as your imagination can make them.

In her authoritative *Good Food From Morocco* (just published by Murray at £15.95), Paula Wolfart gives some dozen or more recipes for couscous. The recipe given below is my own and makes no claim to authenticity. In a traditional couscous, all the vegetables are stewed; only the grain is steamed. Stewing is undoubtedly best for winter versions laced with roots, chick peas and the like. But here I prefer the cooking time in the pot (which fits in well with today's preferred style of entertaining. It is just right for convivial gatherings round a kitchen or conservatory table, rather than formal dinners).

Last but not least, couscous allows plenty of scope for the cook. It is open to endless personal adaptations and variations on the theme. Robust or soft, the choice is yours. The broth can be flecked fragrantly with fresh green herbs, enriched with raisins and sweet spices, or made vibrant with garlic and chilli.

Sheep meat is far from obligatory. Lighter-tasting rabbit or chicken stripped of all skin and fat make excellent alternatives, as does fish. Or you can omit flesh of any kind to cater for vegetarians. As for the vegetables, these can be as varied as your imagination can make them.

In her authoritative *Good Food From Morocco* (just published by Murray at £15.95), Paula Wolfart gives some dozen or more recipes for couscous. The recipe given below is my own and makes no claim to authenticity. In a traditional couscous, all the vegetables are stewed; only the grain is steamed. Stewing is undoubtedly best for winter versions laced with roots, chick peas and the like. But here I prefer the cooking time in the pot (which fits in well with today's preferred style of entertaining. It is just right for convivial gatherings round a kitchen or conservatory table, rather than formal dinners).

Last but not least, couscous allows plenty of scope for the cook. It is open to endless personal adaptations and variations on the theme. Robust or soft, the choice is yours. The broth can be flecked fragrantly with fresh green herbs, enriched with raisins and sweet spices, or made vibrant with garlic and chilli.

Sheep meat is far from obligatory. Lighter-tasting rabbit or chicken stripped of all skin and fat make excellent alternatives, as does fish. Or you can omit flesh of any kind to cater for vegetarians. As for the vegetables, these can be as varied as your imagination can make them.

In her authoritative *Good Food From Morocco* (just published by Murray at £15.95), Paula Wolfart gives some dozen or more recipes for couscous. The recipe given below is my own and makes no claim to authenticity. In a traditional couscous, all the vegetables are stewed; only the grain is steamed. Stewing is undoubtedly best for winter versions laced with roots, chick peas and the like. But here I prefer the cooking time in the pot (which fits in well with today's preferred style of entertaining. It is just right for convivial gatherings round a kitchen or conservatory table, rather than formal dinners).

Last but not least, couscous allows plenty of scope for the cook. It is open to endless personal adaptations and variations on the theme. Robust or soft, the choice is yours. The broth can be flecked fragrantly with fresh green herbs, enriched with raisins and sweet spices, or made vibrant with garlic and chilli.

Sheep meat is far from obligatory. Lighter-tasting rabbit or chicken stripped of all skin and fat make excellent alternatives, as does fish. Or you can omit flesh of any kind to cater for vegetarians. As for the vegetables, these can be as varied as your imagination can make them.

In her authoritative *Good Food From Morocco* (just published by Murray at £15.95), Paula Wolfart gives some dozen or more recipes for couscous. The recipe given below is my own and makes no claim to authenticity. In a traditional couscous, all the vegetables are stewed; only the grain is steamed. Stewing is undoubtedly best for winter versions laced with roots, chick peas and the like. But here I prefer the cooking time in the pot (which fits in well with today's preferred style of entertaining. It is just right for convivial gatherings round a kitchen or conservatory table, rather than formal dinners).

Last but not least, couscous allows plenty of scope for the cook. It is open to endless personal adaptations and variations on the theme. Robust or soft, the choice is yours. The broth can be flecked fragrantly with fresh green herbs, enriched with raisins and sweet spices, or made vibrant with garlic and chilli.

Sheep meat is far from obligatory. Lighter-tasting rabbit or chicken stripped of all skin and fat make excellent alternatives, as does fish. Or you can omit flesh of any kind to cater for vegetarians. As for the vegetables, these can be as varied as your imagination can make them.

In her authoritative *Good Food From Morocco* (just published by Murray at £15.95), Paula Wolfart gives some dozen or more recipes for couscous. The recipe given below is my own and makes no claim to authenticity. In a traditional couscous, all the vegetables are stewed; only the grain is steamed. Stewing is undoubtedly best for winter versions laced with roots, chick peas and the like. But here I prefer the cooking time in the pot (which fits in well with today's preferred style of entertaining. It is just right for convivial gatherings round a kitchen or conservatory table, rather than formal dinners).

Last but not least, couscous allows plenty of scope for the cook. It is open to endless personal adaptations and variations on the theme. Robust or soft, the choice is yours. The broth can be flecked fragrantly with fresh green herbs, enriched with raisins and sweet spices, or made vibrant with garlic and chilli.

Sheep meat is far from obligatory. Lighter-tasting rabbit or chicken stripped of all skin and fat make excellent alternatives, as does fish. Or you can omit flesh of any kind to cater for vegetarians. As for the vegetables, these can be as varied as your imagination can make them.

In her authoritative *Good Food From Morocco* (just published by Murray at £15.95), Paula Wolfart gives some dozen or more recipes for couscous. The recipe given below is my own and makes no claim to authenticity. In a traditional couscous, all the vegetables are stewed; only the grain is steamed. Stewing is undoubtedly best for winter versions laced with roots, chick peas and the like. But here I prefer the cooking time in the pot (which fits in well with today's preferred style of entertaining. It is just right for convivial gatherings round a kitchen or conservatory table, rather than formal dinners).

Last but not least, couscous allows plenty of scope for the cook. It is open to endless personal adaptations and variations on the theme. Robust or soft, the choice is yours. The broth can be flecked fragrantly with fresh green herbs, enriched with raisins and sweet spices, or made vibrant with garlic and chilli.

Sheep meat is far from obligatory. Lighter-tasting rabbit or chicken stripped of all skin and fat make excellent alternatives, as does fish. Or you can omit flesh of any kind to cater for vegetarians. As for the vegetables, these can be as varied as your imagination can make them.

In her authoritative *Good Food From Morocco* (just published by Murray at £15.95), Paula Wolfart gives some dozen or more recipes for couscous. The recipe given below is my own and makes no claim to authenticity. In a traditional couscous, all the vegetables are stewed; only the grain is steamed. Stewing is undoubtedly best for winter versions laced with roots, chick peas and the like. But here I prefer the cooking time in the pot (which fits in well with today's preferred style of entertaining. It is just right for convivial gatherings round a kitchen or conservatory table, rather than formal dinners).

Last but not least, couscous allows plenty of scope for the cook. It is open to endless personal adaptations and variations on the theme. Robust or soft, the choice is yours. The broth can be flecked fragrantly with fresh green herbs, enriched with raisins and sweet spices, or made vibrant with garlic and chilli.

Sheep meat is far from obligatory. Lighter-tasting rabbit or chicken stripped of all skin and fat make excellent alternatives, as does fish. Or you can omit flesh of any kind to cater for vegetarians. As for the vegetables, these can be as varied as your imagination can make them.

In her authoritative *Good Food From Morocco* (just published by Murray at £15.95), Paula Wolfart gives some dozen or more recipes for couscous. The recipe given below is my own and makes no claim to authenticity. In a traditional couscous, all the vegetables are stewed; only the grain is steamed. Stewing is undoubtedly best for winter versions laced with roots, chick peas and the like. But here I prefer the cooking time in the pot (which fits in well with today's preferred style of entertaining. It is just right for convivial gatherings round a kitchen or conservatory table, rather than formal dinners).

Last but not least, couscous allows plenty of scope for the cook. It is open to endless personal adaptations and variations on the theme. Robust or soft, the choice is yours. The broth can be flecked fragrantly with fresh green herbs, enriched with raisins and sweet spices, or made vibrant with garlic and chilli.

Sheep meat is far from obligatory. Lighter-tasting rabbit or chicken stripped of all skin and fat make excellent alternatives, as does fish. Or you can omit flesh of any kind to cater for vegetarians. As for the vegetables, these can be as varied as your imagination can make them.

In her authoritative *Good Food From Morocco* (just published by Murray at £15.95), Paula Wolfart gives some dozen or more recipes for couscous. The recipe given below is my own and makes no claim to authenticity. In a traditional couscous, all the vegetables are stewed; only the grain is steamed. Stewing is undoubtedly best for winter versions laced with roots, chick peas and the like. But here I prefer the cooking time in the pot (which fits in well with today's preferred style of entertaining. It is just right for convivial gatherings round a kitchen or conservatory table, rather than formal dinners).

Last but not least, couscous allows plenty of scope for the cook. It is open to endless personal adaptations and variations on the theme. Robust or soft, the choice is yours. The broth can be flecked fragrantly with fresh green herbs, enriched with raisins and sweet spices, or made vibrant with garlic and chilli.

Sheep meat is far from obligatory. Lighter-tasting rabbit or chicken stripped of all skin and fat make excellent alternatives, as does fish. Or you can omit flesh of any kind to cater for vegetarians. As for the vegetables, these can be as varied as your imagination can make them.</

ARTS

THIS IS the month in which the nation's leading antique dealers go forth and gather in the harvest. The Fairs at Grosvenor House and Olympia provide them with their rich crop of (mainly foreign) dealers and collectors, and all the signs are that they are providing a bounteous return.

For some dealers, June contributes up to half their annual turnover: everything depends on these few days. Judging by the flashing of the cheque books and the sprouting of the red dots signifying an object sold, the uncertainties in the trade of the last few months have been laid to rest.

Even the gloomy financial headlines of the last week or so have helped. A fall in the value of sterling is just the enticement needed to bring over the American dealers and collectors who have been missing for the past three years, while the continentals, the Japanese, and the newly enriched British, who nobly stepped into the breach when the Americans fumbled it, have now caught the antique buying bug.

This week end both the Grosvenor House and Olympia are open in tandem, offering an unrivalled opportunity for the general public to gawp and to calculate - and at Olympia, which caters for the middle market while Grosvenor aims at the seriously rich - even to buy.

(Nota bene: it might well be worth making a ridiculous offer at Olympia late on Sunday as the Fair reaches its close down, especially for large or quirky objects. Often dealers do not want the hassle of transporting and storing odd antiques. In any case, at the fairs dealers are mused to lowering the asking price slightly to seal a bargain.)

Grosvenor House is looking especially splendid this year. To some, all these expensive objects glistening on stands often prepared by professional designers, are an offense, a celebration of greed and the power of money. To most, the Fair offers the grandest annual array of genuine antiques gathered together in London. The opening day is the key time when most of the business is done. A quick sprint around some of the 90 odd stands suggested that the rich are still with us.

On the first day Garrards sold a 16 piece silver dinner service made by Paul Storr in 1812 for around £500,000, and a pair of Robert Garrard wine

Antiques fare well

Antony Thorncroft joins the dealers and collectors at the Grosvenor House and Olympia



On the Spinks stand at Grosvenor House: Spanish playing with monkeys on a terrace with a classical landscape beyond, by Francis Barlow (1626-1702)

coolers of 1836 for £200,000 plus. As usual, Johnny van Haeften was disposing of Dutch Old Masters like strawberries at Wimbledon, bringing in £1m in the first 24 hours. Two of his pictures had a waiting list four deep - if the original purchasers failed to convince their wife, or bank manager, that they were a good buy then the reserves would get the chance.

Across the way, Agnews had quick confirmation that they were right to return to the Fair after an absence of over 20 years: they sold £300,000 worth of art, including a sketch by Boucher. David Messum had disposed of two of the popular Modern British pictures, a de Glehn for £65,000 and an Osborne for £85,000, in the first few hours and the next day Witney Antiques was looking almost bare, so overpowering had been the rush.

Like many country dealers, Witney uses the Fair as much

as an opportunity to meet new customers, and to reassure old clients, than to actually sell objects. But, like its Cotswold neighbour Christopher Clarke, business was surprisingly brisk, especially for decorative items like bronzes and 18th century religious church carvings.

Blittets, the oriental specialists, was forced by acquisitive Hong Kong dealers to open up its stock cupboard and saw most of its Ching porcelain rapidly disappear, while the O'Shea Gallery virtually sold its stock of prints in the first session. Another print dealer to look pleased with himself was Bill Drummond: among the cheques in his pocket was one from Joan Collins.

There were still many old favourites awaiting buyers. One of the joys of a Fair is to come across antiques sold in the saleroom, now nicely re-packaged and re-priced upwards. Obviously there are

many collectors who prefer to pay a premium for the guidance of a dealer than save money by bidding directly at auction.

Leger Galleries has probably the most expensive object in the Fair, Turner's "Woman with tambourine", which Christie's sold, rather cheaply, earlier this year for £1.1m, but which now commands considerably more. Other saleroom favourites to catch the eye were Philip Wilson Steers' "A girl reclining on a sofa" at Whitford & Hughes' A Van Dyck portrait on the Westminster (which was judged to be the prettiest at the Fair), and another seven figure picture, a Sisey, at Richard Green.

By Thursday the 300 plus dealers at Olympia were desperate for some of the money men from Grosvenor House to come slumming down to their bargain basement. Their Fair got off to a cracking start last week end, but then the heat seemed to dry up

custom. Most dealers were fairly happy, buoyed up by a recent sale, but there were some slumped in the corner of their stands, like bored and moody polar bears undone by the torpid non air-conditioned environment. Still, Rick James of the Friary Gallery was happily crossing off items from his "for sale" list of modern British pictures, and David Weston was quickly disposing of globes and other scientific instruments.

He sold at least two items to Grosvenor House exhibitors. A feature of both Fairs is the amount of business done inside the trade. At Olympia in particular, the specialist dealers snift around the stands of the general dealers who might have some underpriced, underappreciated treasure among their stock. At least 10 per cent of the goods change hands before the public get a look in, and antique dealers throughout the country will have enjoyed a knockover in the past few days from Fair exhibitors, suddenly short of stock, vainly trying to replenish their space.

Often dealers, with time on their hands at slack periods in the Fair, will browse around the neighbouring stands and buy an object because it takes their fancy, placing just a modest mark up on it instead of the usual 25 per cent plus. This means bargains for the knowledgeable collector, especially in the area of decorative arts which is the strength of Olympia.

Nellie Lenson, the doyen of Olympia with 16 Fairs under her belt, detected an odd mood. Old faces were missing, but there were enough new buyers to push her takings up above £120,000 in the first week. "Things have never really been the same since the Stock Exchange Crash", she says. "This certainly hit some of the older collectors who were starting to dabble in antique collecting, but the very rich, the habitués of Grosvenor House, were able in the main to ride out that little blip in the economic boom."

The London antique trade was operating at full throttle. Perhaps this is the peak of its boom, but while demand remains international, and the world economy continues to grow, there should be no sudden crisis. The problem now for most dealers will be to replenish at affordable prices the stock they are currently selling.

But it is quite a nice problem to wrestle with.

The Olympic ideal

Denys Sutton reviews an exhibition in Athens which demonstrates the prime role played by sport in art

IT IS appropriate at a time when the future of classical education is being debated in England that an exhibition devoted to ancient Greek art should be held at the National Archaeological Museum in Athens. Under the title "Mind the Body," it seeks to demonstrate the prime role played by sport in art and to act as a reminder that the Olympic Games were founded in 776 BC. They were the origins of the Olympic Games.

Thematic exhibitions are never easy to arrange, largely owing to the absence of sufficient material of high quality to sustain the ideas. This is by no means the case with this show, one of the most attractive and novel to have been staged for some years; in effect, it presents an anthology of Greek art ranging from the Mycenaean period to the end of the Hellenistic era. Here the artistic eye has pride of place, and the exhibition contains several masterpieces.

One of its pleasures is that it is well presented. The size is right. Moreover, as many of the objects - bronzes and vases - are relatively small, care has been taken to ensure that each item can be properly seen. The labels are in English as well as in Greek and a separate English catalogue with colour plates has been published.

A discovery of the exhibition is the quality of the bronzes. One of the most splendid is the famous *Youth of Marathon* which has been associated with Praxiteles. It has a delicate patination and the muscles are suggested in a subtle manner. No less remarkable are the early heads, among them the Zeus from Olympia (6th century BC), with its clean cut features and the youth from the Acropolis, also 6th century. This is a prototype of the idealised portrait that runs down to Byzantine times and which was revived in the late 19th century.

Many of the works on view belong to the Museum, but the advantages of their appearance in an exhibition with a special theme is that it is possible to study their stylistic relations



The perfect athlete: first century BC copy of the 6th century BC "Diadomenos" by Polykleitos

with works of art from other places. It is often tempting, for instance, to consider ancient portrait sculptures as being a Roman import; so it is, but two works in this exhibition underline the continuity of tradition between Greece and Rome. The individuality and insight revealed in the head of the so-called *Philosopher* with its rugged features are striking. It brings out the essential human quality of Greek art, which is hardly surprising when the plays of Euripides and the poetry of Pindar and Sappho are recalled. No less vital in the realism is the superb head of the pugilist, who stands out for all time as the typical professional prize fighter. It is almost certain that the head belongs to the statue of the Olympic winner, Satyros, which was executed by the Athenian sculptor Sthenios.

Vases are well represented in the exhibition. The fact that many of the scenes represented by painters depict movement

means that their gift for incisive line is well displayed. Many vase paintings portray runners, pugilists and chariot races. However, it has to be remembered that such scenes are not necessarily realistic. Athletes are shown in the nude but, although Thucydides writing in the 5th century claimed that this practice had been recently introduced, it is believed that this was not so.

Several outstanding marbles underline the elegance and quality of Greek sculpture. One of the most original pieces is the 6th century *Rhopis* from Sparta. The search for perfect form haunted Greek artists and the inclusion of an excellent 1st century BC copy of the statue of the "Diadomenos" by that notable artist Polykleitos, active in the second half of the 5th century, represents the "perfect athlete." This conveys the aims and ideals of this beautiful exhibition, which is on view until January, and of the Olympic Games.

Not any old iron

IT IS hardly possible to walk by the river in the City and not spy at least one mudlark scouring the detritus-strewn Thames foreshore, silent save for the occasional hiss emitted from the tool of his trade, the metal detector.

Do they ever find anything of interest? The answer rests partly in the Museum of London, where the mudlarks are obliged to bring their loot for recording. Their more significant finds have been of early and late medieval pewter, and much of it is now on show at the museum's current exhibition of English pewter 1200-1700 (on until May 1990).

Hardly any examples of 16th century or earlier English pewter were known seven or eight years ago, and the recovery of

huge quantities of medieval pewter, particularly domestic plates and jewellery from the cushioning mud of the Thames (London was the centre of English pewter manufacture) has vastly magnified the corpus of extant early work. Since little oxygen has touched them, they are in far better condition than land finds.

On show beside well known pieces such as the only surviving Romanesque pewter crucifix and a group of 11th century jewellery, are these recent finds of 14th century plates, spoons, cruet, pilgrim and livery badges, toy figurines and miniature cooking utensils, a needlecase and the only pewter

candlestick of a type known to have been made in other materials in England and France. From the 17th century comes the earliest known apothecary measure and one of the earliest pewter feeding bottles.

Other chance finds have added to our knowledge. The wreck of Henry VIII's warship Mary Rose, sunk off Portsmouth in 1545 and recovered in 1982, has contributed dates for a variety of objects, from trilobed porringers thought to be later to new forms such as a barber-surgeon's screw-top flask and a sophisticated syringe.

By the 18th century pewter was to be found in at least half

the homes in the country, by the following century it had replaced wood as the prime material for table utensils. The period after the Restoration to the height of pewter's popularity in England and France, produced some of the finest pewter. Austerity gives way to a vogue for punched or repoussé decoration, line engraving, and delightful wrightwork - tulips, flowers and birds created out of a sequence of cut dashes.

The chronological display of pewter is complemented by a catalogue (£4.95), reconstructions of a 17th century pewter workshop, a retail shop full of gleaming, polished ware, and a domestic interior with pewter in everyday use.

Susan Moore

Radio Divine write

ROSEMARY Hartill, formerly BBC Religious Affairs Correspondent, took on a tough individual when she began her series *Writers Radio*, with John Mortimer (Radio 4, Thursday). One of her objects is to find out how writers' religious beliefs affect their writing; but Mr Mortimer's beliefs are pretty well confined to scepticism, and he has already revealed himself widely, both in his public life as Queen's Counsel with a penchant for liberal cases, and through his books and plays. Consequently this programme became a kind of superior *Deceit* between the two (and this does not deprecate it).

Mr Mortimer is a witty man with a fund of interesting ideas. His father, whom we know as the blind barrister in *A Voyage to Italy*, told him the difference between right and wrong, and Mr Mortimer claims he still doesn't know. As a barrister, he was simply his client behind a mask. The God that Christians believe in has behaved so badly that "if he existed, I wouldn't like him."

On the other hand, Christian ethics are what we should hold to, for their principles are decent, honourable and fair. I don't think Mr Mortimer was fair when he spoke of "the bizarre religion of greed," unless I misunderstood him. His prosperity was achieved decently and honourably, I am sure, but not accidentally. It will be interesting to see how the other writers shape in this promising series.

Mr Mortimer did not handle his father's blindness as a handicap but a triumph. I would have welcomed some of that quality in the lady agoraphobic in *Into the Dangerous World* (Radio 4, Tuesday). Dee suffered agonies if she tried to ride a train, or a bus, or an escalator. Just what those agonies were I could not tell. She described what she felt, but such feelings are hard to define; they sounded physical as well as mental. I have pho-

his of my own - heights, spiders - but I can't explain them. Dee was lucky enough to find a psychologist who accompanied her through her *Road*, riding on a bus and a train, in the front of cars, stepping on to a descending escalator - and drove them out of sight. Could it have been done simply by determination? Even *Dee* has a hard time to find it hard to make me pick up a tarantula. Radio 4 is with the handicapped; every week there is *Does He Take Sugar?* for the daily sighted. Agoraphobics can get a factsheet from the BBC.

Gardening can be as obsessive as other problems, but the BBC doesn't try to cure it, they pander to it with *Gardeners' Question Time* and things. *Playground* (Radio 4, Wednesday) consisted only of casual disconnected remarks compiled by Sylvia Colley from a dozen miscellaneous gardeners. I suppose thousands of gardeners listened for just one helpful hint, but I don't think they got anything but the fun.

I have been staying up till one to hear a series on *Human Rights*, commissioned by the Council of Europe for school use here and abroad. I was glad to know what such rights were, and where I could complain of their breach, but I found the quasi-poetic scripts, presented by Charles Nelson, an odd way to convey facts, especially to non-anglophone listeners.

I have done little justice to drama this week, but let me welcome the repeats of Giles Cooper Award winners, and record how much I enjoyed Guy Meredith's 30-minute laugh, *Mad, Bad* (Radio 4, Tuesday) about rival biographers of Byron (Anna Massey and Bill Nighy), racing for the first publication date. It all takes place in telephone messages: director, Cherry Cookson. Byron's letters, meanwhile, are being read by Robert Powell on Sunday evenings.

B.A. Young

You give us two pounds, we give you a tenor.

OPERA NOW

PAVARTTI! Exclusive Interview

ANTONIA FRASER on THOMAS ALLEN

LA FENICE: Opera in Venice

KARAJAN on STRAUSS

BRUCE OLDFIELD'S PASSION

OPERA LISTINGS

Opera Now, latest issue at your newsagent now.

NATIONAL BURIAL INSTITUTE

Help us to care for those who have cared

People who have devoted their lives to the care of others and are now in need of help themselves. Putting health and rising costs out of their minds, they have spent their lives very difficult. The National Burial Institute can help. We provide home care, convalescence, and a wide range of services. Please send whatever you can spare.

The Secretary, Dept 27, The National Burial Institute, 61 Baywater Rd., London W2 3PG.

ROY MILES GALLERY

RUSSIAN PAINTINGS

29 Bruton Street W1

01-495 4747

ART GALLERIES

ALLAN'S GALLERY - Hand Embroidered Silk Pictures. A superb new collection is now on display. Cam, horses and dogs and you'll want to stroke them. Lower Ground Floor, Allans Famous Silk Shop, 60/62 White Street, Grosvenor Square, London, W1M 6HS. Mon-Fri 9-6.45 Sat 9-1. Tel: 01-423 2761

GALLERY LINGARD, 80 Pall Mall, London SW1. Tel: 01-480 1846. TWO PIONEER MODERNISTS - Reproduced from 1925-1930 and Tom Ellis 1911-1930. An Exhibition of 17th and 18th Century Dutch and Flemish. Fri 30 June. Mon-Fri 10am - 6.30 pm.

MARLBOROUGH 6 Abchurch Lane, London W1. Tel: 01-480 1846. TWO PIONEER MODERNISTS - Reproduced from 1925-1930 and Tom Ellis 1911-1930. An Exhibition of 17th and 18th Century Dutch and Flemish. Fri 30 June. Mon-Fri 10am - 6.30 pm.

EXHIBITIONS

THE 1989 FINE ART & ANTIQUES FAIR - a whole week of antiques. Sat - Sun June 18-19 (Closed Monday 12th June), Grand Hall, Olympia. Weekdays: 11.30am-6pm. Admission £4. Weekends: 11.30am-6pm. Admission £2.

The Royal Opera

Der Rosenkavalier

Richard Strauss' most sumptuous and popular opera.

Case includes: Felicity Lott, Ann Murray, Kurt Mall, Lillian Watson. Conductor: Jeffrey Tate.

Tonight at 6.30pm

Further performances June 21, 24, 27, 30 at 6.30pm

01 240 1066

All forms of credit cards accepted.

Royal Opera House

M. The Misanthrope

THE GREAT COMEDY COMES TO LIFE

A 22 part cast. See it now.

Has all the zest and fizz of the champagne its party-going characters outstandingly unwork. Incomparable.

National Theatre

01-496 2252

ARTS

Low volt Elektra

Andrew Clark reviews Harry Kupfer's production in Vienna, conducted by Claudio Abbado

WHEN CLAUDIO Abbado first conducted *Lohengrin* at La Scala in 1981, there were high hopes that it would mark the start of a period in which he would bring his own particular brand of impassioned music-dramatic integrity to a select German operatic repertoire. Despite his continuing association with the Austro-German tradition in the concert hall, these hopes have gone largely unfulfilled. Recent seasons have seen celebrated productions of *Wozzeck* and Schubert's *Fierabras*, but most of Abbado's repertoire at the Vienna State Opera has been repeated from Milan, and there has been no more Wagner. Perhaps the spirit of Karl Böhm is too strongly cherished.

Now, however, comes *Elektra*, the natural entry point into Strauss's operas for someone of Abbado's modernist leanings. The result is a very mixed success. Where the score is at its most progressive or Wagnerian, Abbado's sympathies seem to be strongly engaged. The Clytemnestra scene and the duet with Orestes, for example, came over with poised intensity, highly charged and with a confident grasp of the music's headlong momentum. Abbado's choice of vast dynamic contrasts offered the best of both worlds — the Straussian mosaic of instrumental detail and thematic cross-current, to the bludgeoning hysteria of the orchestra at its largest and loudest.

Nonetheless, much of the performance sounded tentative and lacking in passion. Until the orchestral peroration announcing Clytemnestra's arrival, the atmosphere on the first night was tepid. It is hard to fault the quality of sound produced by the Vienna Philharmonic, but they do not play this score like an orchestra possessed — as their Munich colleagues regularly do. Even though Abbado will no doubt play himself into the music, we are more likely on this evidence to find him tackling *Lulu* or *Moses und Aron* before we hear his *Tristan* or *Frau ohne Schatten*.

That the performance did not have the "punch-in-the-stomach" impact that every *Elektra* should have was much less Abbado's fault than that of Harry Kupfer, who seems to be suffering from creative exhaustion. This staging, the centrepiece of the current Vienna Festival and a co-production with the Salzburg Festival, is Kupfer's fourth *Elektra*. Even more so than in his Welsh National Opera production, the setting is dominated by the decaying lower half of a giant bronze statue, which in Hans Schavernoch's design is set against a black void, one foot high for the most part. Perhaps this severed head half buried at the side. The effect is imposing in a surreal, Teutonic way, but like almost every other detail in this production, it seems fundamentally misconceived.

Clytemnestra as a woman "in her best years," elegant but psychologically diseased. Franz Grunzheuer's Orestes and James King's Aegisth were strongly sung. Eva Marton, who seems to be very much the soprano of the moment, was miscast as Elektra. She offers loudness in place of brilliance, passion and feeling. She looked masculine and cold. She has no *Ausstrahlung*.

The following night the State Opera revived its production of *Tristan und Isolde*: a little dated in the naturalistic imagery provided by Gunther Schabert-Siemssen's richly decorative sets and costumes, and a little rudimentary in the way the revival had been rehearsed. Heinrich Hollreiser's dependable but unimaginative conducting illustrated why the word Kapellmeister has such a bad press. But the two title roles were convincingly sung. The *Tristan* was the young American George Gray, who made such a good impression in Zurich's new *Siegfried* two months ago. His tubby looks are not very heroic, but he moves economically and sings with intelligence and musicality. The voice may not be large, but it lacks nothing in stamina. The *Isolde* was Gwyneth Jones, whose top Cs unlike Eva Marton's — were pleasing and clear, and who irradiated the stage; now that's my idea of *Ausstrahlung*.

On the same weekend the Vienna Philharmonic fitted in a pair of daytime concerts in the Mitterwiese with James Levine. The main attraction was Alfred Brendel in Mozart's C minor Piano Concerto, but some of the most exquisite solo playing came from the orchestra's principal oboe, Martin Gabriel, in the opening movement of Mozart's early symphony in D major.

Andrew Clark



Cheryl Studer and Eva Marton as Chrysothemis and Elektra

A Night in the Park

CLASSICAL ART competes with nature? The Romantics did not think so, and it was hard not to be a Romantic in Regent's Park this week and to cast a last, longing, look at nature in all its peak season form in the lawns and flower beds before being enveloped by the Open Air Theatre for yet another *Twelfth Night*.

There have been times in that bucolic amphitheatre, with the birds twittering, the pigeons cooing and the cries of the baseball players on the sports field adding a far off plaintive human touch, when the drama on the moosey stage seemed to embrace nature in a happy union. But not in this pedestrian production, which never managed to find either the romance or the humour in Shakespeare's most light hearted comedy. Perhaps the stiffness will pass and the players start to enjoy themselves in their idyllic setting, but this *Illyria* is a disjointed, petulant sort of place, just crying out for someone to get a firm grip

on it all. That someone should have been Bernard Bresslaw as Malvolio, but from his first spangly entrance he chose to go for the laughs (which admittedly had been missing). He made Olivia's steward such a ludicrously unattractive person — given to wearing his chain of office even in bed — that there was no poignancy in his final, potentially spine chilling, line "I'll be revenged on the whole pack of you."

Sally Dexter as Olivia was also inclined to be a bit of a screamer, hardly the troubled bereaved lady amazingly revived by her instant love for the androgynous Viola. I rather warmed to Julietta Grassby's Viola. At first she attacked the open air auditorium as if she was playing panto, guffawing and all but sleeping her thighs in jolly foolery; but at least she brought a briskness to the proceedings. The clowning between David Henry's Sir Toby and David Mallinson's Sir Andrew might pick up steam,

but there was a air of suspension over Ian Talbot's production as if the pieces have not quite fallen into place.

There are good things. We are in Regency times and Simon Higlett's set is a nicely adaptable Palladian villa. Teddy Kemper as Feste acts the fool very seriously and gives an affecting reading to the part while Vicky Licorish as Maria, while irritatingly ebullient throughout, is fun, even when mixing up her lines. There is also a vibrant fight scene. Near the end, with Malvolio neatly deposited down a well, and the company gelling into union to witness the reunion of the divided twins, some joy breaks through.

For many of the audience this seemed to be an introduction to the play and they were gripped by the twists in the plot. They trooped off into the bosky twilight happy enough and there is a good chance that some of their pleasure may affect the actors.

Antony Thorncroft

Maddened Tiller girl in 'Beauty'

EVERYONE IN the audience at the Royal Opera House on Thursday night must have been aware that Sylvia Guillem can fling her legs past her ears. A number of vulgar photographs, her own insistence upon her acrobatic facility in every role, have already made this a cliché for her. But, making her debut in London in *The Sleeping Beauty*, Mlle Guillem turned Aurora's first entry into a display of high kicks, as if the young princess were a maddened Tiller Girl. Having thus identified herself to her public — how else would they know who she was? — Mlle Guillem settled down to give a rather more collected reading, but one which convinced me at no moment of anything about *Faust* or *Chalkovsky* or the classic academic dance.

We have rarely seen a young dancer so naturally gifted in physique. The *Faust* and *Chalkovsky* christening gave her many wonderful presents: of proportion, of lovely feet, hyper-extended legs, of easy movement. From *Carabosse* came, I fear, the fatal bestowal of an inability to see beyond technique to the larger implications of the dance. And not even the *Lilac Fairy's* gift of

early fame can compensate for this. Of course Mlle Guillem can sail through the role of Aurora, holding balances impeccably, setting out her prodigious extensions. In the traditional classic repertoire, she still has to find a way to canalise her talent into the rigours of the academic rule. Her extended legs, engaged with the Royal Ballet may well

be the chance for her to learn this necessary aspect of the ballerina's art. The rest of Thursday night's performance was respectable without being inspiring, but Monica Mason, ablaze with malice as Carabosse, was a bright and sharp-edged reminder of better things.

Clement Crisp

Ace Dohnányi

THE Cleveland Orchestra and its Music Director Christoph von Dohnányi are embarked on their latest European tour. On Thursday, in the first of three consecutive Festival Hall concerts, there was a reading of unremitting strength and concentration. Light years removed from the merry-go-round of Festival Hall, Dohnányi is not a "romantic" Mahlerian; the bittersweet lyricism is kept in check, the sense of forward momentum allows no emotional bulging, no lingering, and not many tints of nostalgia (not even in the strings-and-harp *Adagio*). But his command of the work's dramatic shape and gradation is of quite exceptional authority — and that, in its way, makes for Mahler every bit as powerful as the more familiarly heart-on-sleeve kind.

Max Loppert

Pick of the week

CHRISTIE'S



The Harcourt Emeralds: an overall and diamond necklace, 54.4 carats long, the emeralds weighing a total of 162.19 carats. Estimate: £750,000 to £1,000,000

THIS magnificent necklace was originally owned by the Dowager Viscountess Harcourt. It was worn by her at the Coronation of George VI in 1937, and by her daughter Lady Ashburton at the 1953 Coronation. Sporting thirteen superb emeralds, the necklace is expected to become the most expensive item of jewellery ever auctioned in the United Kingdom. Mined in Colombia in the late 19th century, the emeralds are exceptional both for their marvellous consistency in colour and for their size, the largest weighing 26.12 carats. The emeralds are to be included in the sale of Highly Important Jewellery at Christie's King Street on Wednesday, 21 June at 11.00 a.m. and 2.30 p.m.

For further information on this or any other sales in the next week, please telephone (01) 839 9060.

8 King Street, London SW1
85 Old Brompton Road, London SW7
164-166 Bath Street, Glasgow

THE GROSVENOR HOUSE ANTIQUES FAIR



15th - 24th June 1989
Grosvenor House, Park Lane, London W1.

14th June: Charity Gala Evening 6.00 p.m. - 9.00 p.m.
Tickets: £65.00
15th June and subsequent days: 11.00 a.m. - 8.00 p.m.
except weekends: 11.00 a.m. - 6.00 p.m.
Children under 5 years of age will not be admitted.
Admission prices, including Handbook: 14th & 15th June: £12.00.
Subsequent days: £10.00. Season Ticket: £30.00.
Enquiries: Telephone: (0799) 26699 or, from 10th June, 01-529 0024.

PROMS 89

Royal Albert Hall 21 July-16 September
Telephone/personal booking now open!
Royal Albert Hall: 01-589 8212 and 01-589 9465
Ticketmaster (Open All Hours): 01-379 4444



THURSDAY 29 JUNE 7.45PM
MSTISLAV ROSTROPOVICH RETURNS TO CONDUCT
SHOSTAKOVICH
KNOVANTSCHINA OVERTURE:
Down on the Moscow River
SUITE FROM The Golden Age
SYMPHONY NO 18 IN E MAJOR
LONDON SYMPHONY ORCHESTRA



NEW PRICES £10.50 £12.50 £12.50 £10 £7.50
BARONS COURT, 101-103 BUNDOY (OFF BUNDOY)



Hayward Gallery, London, E81
Until 6 August

ART IN LATIN AMERICA
Part of the South Bank Centre Festival
WFM Impressions of Latin America

